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USAID Firms Project

ANNUAL PROGRESS REPORT – III
OCTOBER 2011 – SEPTEMBER 2012



OCTOBER 31, 2012

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USAID Firms Project

Annual Progress Report – III October 2011 – September 2012

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44 C-I Gulberg III
Lahore, Pakistan
Phone +92 (0) 303 591 3521
Fax 92 (42) 3636-9357
Email: info@epFirms.com

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ACRONYMS

AAFA	American Apparel and Footwear Association
ACTP	Agriculture Commodity Trade Project
ADB	Asian Development Bank
ADR	Alternate Dispute Resolution
AIP	Annual Implementation Plan
AMP	Award Management Plan
AOTR	Agreement Officer's Technical Representative
ASLP	Australian Support Linkage Program
BDS	Business Development Services
BEE	Business Enabling Environment
BOI	Board of Investment
BRP	Business Recovery Plan
BRSA	Business Recovery Support Agreement
CBP	Customs and Border Protection
CIPE	Center for International Private Enterprise
COP	Chief of Party
COTR	Contracting Officer's Technical Representative
CRISP	Community Rehabilitation and Infrastructure Project
CSF	Competitiveness Support Fund
C-TPAT	Customs Trade Partnership against Terrorism
DEDS	District Economic Development Strategies
EG	Economic Growth
EOI	Expressions of Interest
ERACP	Early Recovery of Agriculture and Livelihoods Program
EU	European Union
FATA	Federally Administered Tribal Areas
FLB	Fruit Logistica Berlin
FOG	Fixed Obligation Grant
FSN	Foreign Service National
FY	Fiscal Year
GDP	Gross Domestic Product
GIS	Geographical Information System
GOP	Government of Pakistan
HACCP	Hazard Analysis and Critical Control Points
IDP	Internally Displaced Person
IFC	International Finance Corporation
IMF	International Monetary Fund
INRMP	Integrated Natural Resource Rehabilitation Management Project
IP	Implementing Partner
IPC	Investment Promotion Council
IR	Intermediate Result
IT	Information Technology
IUA	Infrastructure Upgradation Agreement
KP	Khyber Pakhtunkhwa
KPCCI	Khyber Pakhtunkhwa Chamber of Commerce and Industry
M&E	Monitoring and Evaluation
MAAG	Malakand Aquaculture Advisory Group
MGA	Mango GlobalGAP Agreement
MINTEX	Ministry of Textiles
MoU	Memorandum of Understanding
N/A	Non-Applicable
NGO	Non-Governmental Organization

P&D	Planning and Development
PAMIMA	Pakistan Agriculture Machinery and Implements Manufacturing Association
PaRRSA	Provincial Reconstruction, Rehabilitation and Settlement Authority
PDMA	Provincial Disaster Management Authority
PHDEC	Pakistan Horticulture Development and Export Board
PSD	Private Sector Development
PSO	Pakistan State Oil
RFP	Request for Proposal
ROZ	Reconstruction Opportunity Zone
SME	Small and Medium Enterprises
SMEDA	Small and Medium Enterprises Development Authority
SO	Strategic Objective
SOW	Scope of Work
SPS	Sanitary and Phytosanitary
TAP	Technical Assistance Plan
TBD	To Be Determined
TEVTA	Technical Education and Vocational Training Authority
TFFs	Trout Fish Farms
TOT	Training of Trainers
TUSDEC	Technology Upgradation and Skill Development Company
UAF	University of Agriculture Faisalabad
US	United States
USAID	United States Agency for International Development
USG	United States Government
WB	World Bank
WRAP	Worldwide Responsible Accredited Production

OVERVIEW

BACKGROUND

The objective of the USAID Firms Project is to improve government service delivery and develop dynamic, internationally competitive private sector small and medium enterprises (SMEs) to accelerate sales, investment, and job growth to undercut the basis of extremism. Socioeconomic stabilization of vulnerable areas in Pakistan is in the strategic interest of and is an urgent priority for the U.S. Government. The primary prerequisite for this stabilization is a robust and competitive private sector resulting from a market-driven economic environment and enabling policies. The USAID Firms Project has two complementary components:

Value Chain Development (VCD). This component provides technical assistance and training to strengthen SMEs and create a robust private sector. The primary focus points of the VCD component are developing sales opportunities for SMEs and creating jobs. The project interventions currently underway in the selected value chains include fresh mango farming as well as mango drying in North Sindh and South Punjab; date farming and processing in Sindh; peach and potato farming in Swat; agriculture implements manufacturing in Punjab; fruits and vegetable pulping in Punjab and Sindh; knitted garments manufacturing in Sindh; and Islampur woolen weavers in Swat.

As part of the VCD component's future plans, USAID Firms Project is working with the stakeholders from the marble and granite value chain to identify and support SMEs from that sector.

Business Enabling Environment (BEE). This component improves the capabilities of the government at district, provincial, and national levels to accelerate and facilitate economic opportunities and implement policy-level interventions in a manner consistent with international best practices. Under this component, the USAID Firms Project is providing assistance for institutional strengthening of the Small and Medium Enterprises Development Authority (SMEDA) with the aim to revitalize the organization as the SME development arm of the Government of Pakistan. The project is also providing technical assistance to the Board of Investment (BOI) for developing a restructuring plan to enhance the BOI's capabilities, streamlining its business processes, and reviewing previously formulated investment policies.

Policy and regulatory reform initiatives underway include agriculture (fresh produce), market policy, and livestock policy for Sindh, Punjab, and Balochistan provinces. The project also commissioned a study to identify and strategize priority activities for USAID interventions in South Waziristan Agency. Furthermore, the project provides technical support to the Provincial Reconstruction Rehabilitation and Settlement Authority (PaRRSA) in Khyber Pakhtunkhwa (KP). The project facilitates a sustainable institutional arrangement for promotion of investment and policy reforms, for the Investment Promotion Council (IPC), for KP and the Federally Administered Tribal Areas (FATA). In partnership with the KP Chamber of Commerce and Industry (KPCCI), the project has developed vision documents for the tourism and industry sectors of the KP province. The project continues to provide technical assistance to Tourism Corporation of KP (TCKP) in its efforts to augment the tourism potential of the province.

FINANCIAL SUMMARY

Contract No.:	EME-I-00-07-00008-00
Date of Issuance of Task Order:	May 7, 2009
Total Potential Task Order Amount:	USD 89,753,164.00
Amount Obligated Under Task Order:	USD 70,257,148.45
Total Project Funds Expended To Date:	USD 51,908,107.64
Project Funds Expended During Quarter XIII (July–Sep 2012):	USD 4,133,085.90
Project Funds Allocated for Next Quarter (Oct–Dec 2012):	USD 5,328,805.45
Project Funds Allocated for Next Year (Oct 2012–Sep 2013):	USD 16,683,832.24

FUNDS EXPENDED DURING REPORTING QUARTER (JULY 1–SEP 30, 2012) ON LOCAL INSTITUTIONS AND STAFF

Description	Funds Expended (in USD)			% of Overall Total			
	Local Service Providers	Local Staff	Local ODC	Local Service Providers	Local Staff	Local ODC	Total
During the reporting quarter, project funds expended in Pakistan on local institutions and local staff	1,360,105.46	758,905.52	1,040,289.86	33%	18%	25%	3,159,300.84

FUNDS EXPENDED DURING REPORTING YEAR (OCT 1, 2011 – SEP 30, 2012) ON LOCAL INSTITUTIONS AND STAFF

Description	Funds Expended (in USD)			% of Overall Total			
	Local Service Providers	Local Staff	Local ODC	Local Service Providers	Local Staff	Local ODC	Total
During the reporting year, project funds expended in Pakistan on local institutions and local staff	3,861,770.11	2,008,628.20	2,890,515.07	36%	19%	27%	10,776,911.82

HIGHLIGHTS AND ACCOMPLISHMENTS

VALUE CHAIN DEVELOPMENT (VCD)

FRESH MANGO SECTOR– PUNJAB AND SINDH

- Improved Market Linkages – Punjab & Sindh:* The USAID Firms Project, as part of its strategic mango interventions, has focused on assisting its beneficiaries to create linkages between commercial buyers, retailers, and wholesalers, both in the international and domestic markets. Beneficiaries have increased their sales through these linkages. Among several initiatives, the project has facilitated a delegation of seven beneficiaries, including two farmers and five exporters from Sindh and Punjab regions, to participate in the Fruit Logistica Berlin 2012. The event gave the Pakistani progressive growers and exporters an opportunity to establish worldwide business linkages with importers, particularly in the European market. On August 27 and 28, 2012, the project provided mango samples from project-supported mango farm small and medium enterprises (SMEs) to high-end retailers Hyperstar and Al-Fatah in Pakistan (?), who conveyed their commitment to buying and marketing premium-quality mangoes in the next mango season if the prices remain competitive. Additionally, the project has invited European buyers to Pakistan to meet the mango growers and exporters and see their facilities and operations. A meeting between mango farmers and exporters and a Dutch delegation of buyers from Solfruit B.V. was held at the Multan Chamber of Commerce and Industry on October 23, 2011. The objective of the meeting was to introduce the Dutch delegation to progressive mango growers and exporters from Pakistan, present a comprehensive export program for the upcoming mango season, and introduce the Pakistani mango to European mainstream retail markets. These events are building international and local high-end buyers' confidence and interest in Pakistani premium-quality mangoes from the USAID-assisted beneficiaries. .
- SPS Compliance Manual – Punjab & Sindh:* The USAID Firms Project developed a manual on the sanitary and phytosanitary (SPS) compliance requirements required by existing and potential mango importing countries. This manual, the first of its kind, provides assistance to mango exporters in acquiring updated information to facilitate exports. This manual was completed in December 2011 and has now been printed and distributed to major stakeholders.
- Australia Study Tour 2012 – Punjab & Sindh:* The project facilitated a study tour to Australia for five of its IUA signatory farmers from December 27, 2011, to January 11, 2012. The objective of the study tour was to expose the farmers to different techniques, international standards, and best practices, and exchange knowledge with Australian farmers on mango value addition and development of market linkages. Farmers visited 15 mango farms, three value addition facilities for pulping and dried mango, two fresh fruit and vegetable markets, and several mango processing and grading facilities.
- Second Annual Mango Conference – Punjab & Sindh:* To celebrate the successes of the second year of the project's mango program, the USAID Firms Project organized a conference in Islamabad on January 31, 2012. The conference focused on the export of mangoes and brought

together beneficiaries, demand-side market players, trade facilitators, donors, and academics to discuss current achievements and remaining gaps in the value chain, and to identify roles, develop partnerships, and design a coordinated road map for the future development of the sector. The event garnered substantial coverage in both print and television media. A total of 73 participants attended the conference.

- *HACCP Certification –Punjab & Sindh:* The USAID Firms Project assisted in the HACCP certification at all 15 IUA facilities. Audits by the certification body were completed successfully, and certificates are forthcoming. This certification ensures all food safety and hygiene-related parameters are met as per requirements of high-end international buyers. To help our IUA signatories attain HACCP certification for their mango pack houses, the project offered a four-day Pack House Hazard Analysis and Critical Control Points (HACCP) training program in Multan from April 9–12, 2012. The IUA signatories were the focus of the training, although it was attended by researchers, academicians, and professionals from development agencies and government agencies, bringing the total number of participants to 21.
- *First-ever Successful Commercial Sea Shipment to High-end EU Buyer – Sindh:* Murtaza Agriculture Farm, Nawabshah, made its first commercial shipment of 16 tons to Total Exotics, Netherlands, EU, which successfully reached its destination on July 11, 2012. This shipment was made by sea, using project-funded implements such as the mango processing line and cold chain equipment, which enhance product quality and shelf life. Dr. David Picha, consultant hired by the USAID Firms Project, offered technical support in shipment preparation and arrival inspection. The shipment reached its destination in excellent condition, with over 95 percent marketable produce, thereby opening the EU market for Pakistani mangoes by sea (which is five times less expensive than the conventional air transport). European buyers have shown a huge interest in Pakistani mangoes from partner farms and are dealing directly with partner farms for the next mango season.
- *Mango Sector Infrastructure Completed – Punjab & Sindh:* All 15 infrastructure facilities of the project's partner mango farms were completed during the reporting period. This includes completion of all civil works for the pack houses, installation and operationalization of all infrastructure equipment such as cold storage, blast chiller, mango processing line (up to grader), back-up generator(s), reverse osmosis plant, and humidifiers.
- *Blast Chiller Modification Completed at All IUA Signatory Farms – Punjab & Sindh:* The USAID Firms Project engaged an HVAC expert, Dr. Gleyne Bledsoe, to inspect mango cold storage facilities and blast chillers at all IUA (Infrastructure Upgradation Agreement) signatory farms to validate their system design and, if required, recommend modifications. Based on his technical report on enhancement of blast chiller units, blast chillers were modified and upgraded successfully at all signatory mango farms.
- *Mango Program GlobalGAP Surveillance and External Audits for 2012 – Punjab & Sindh:* The project conducted surveillance and external audits for partner GlobalGAP farms (15 from previous year) in addition to audits of 11 new GlobalGAP partner farms in Punjab, which are awaiting certificates. This brings the total number of project-assisted GlobalGAP farms to 26.

- *Mango Muavan Training Program – Punjab & Sindh:* Under the Mango Muavan training program, a total of 1,052 people were trained through nine different trainings held during the reporting year. These trainings focused on mango tree pruning and canopy management, pack house operations optimization, mango harvest and post-harvest handling, integrated crop protection management, balanced nutrients' application in mango orchards, mango dormancy and irrigation management, sudden death problem in mango orchards, post-rain flood orchard management, and pack house HACCP.

DRIED MANGO SECTOR – PUNJAB AND SINDH

- *Seminar Series on Potential for Dried Mango Industry Development:* The USAID Firms Project conducted a seminar series for mango sector value chain players, including processors, growers, and exporters. The objective of the seminars was to disseminate knowledge on the potential of Pakistan's dried mango industry, international market trends, production processes, packaging requirements, and marketing strategies to access international markets. The seminar course was developed in line with the demand-side market analysis previously conducted by the project for the dried mango sector. The three seminars were held in Islamabad, Karachi, and Lahore from February 1 to February 3, 2012, and were attended by 11, 13, and 15 participants, respectively.
- *Completion of Dried Mango Trial Production at Perfect Foods Processing Facility–Punjab:* Between July 30, 2012, and August 11, 2012, the USAID Firms Project's dried mango consultant, Ms. Barbara Rasco, supervised the trial production of dried mango products at the Perfect Foods processing facility in Lahore. The exercises were conducted on the Chaunsa variety mango. During these exercises, two promising product parameters (i.e., sulfite-treated and sugar-infused dried mango) have been established. The objective of these trial exercises was to finalize the best treatments for dried mango slices and replicate the same processes for preparation of a dried mango sample shipment planned for the U.S. market this year.
- *Signing of Agreements with SMEs Processing Facility–Sindh and Punjab:* On July 31, 2012, agreements were signed with two SMEs partners under the dried mango program, namely, Perfect Foods Industry in Sindh and Eco Foods in Punjab. On August 6, 2012, an agreement was signed with SFA Industries Private Limited, making it the third SME partner in the mango drying pilot assistance program. The fourth SME partner—Lutfabad mango processing facility—is selected and the agreement will be signed by October 2012. Technical assistance will be provided to the SMEs for upgradation of their existing facilities as per international best practices. Upon successful completion, the project will provide these SME partners with tray dryers along with necessary tools and equipment for smooth facility operation. Project assistance also includes product and process development trainings and market linkages development support.
- *Facilitating Technological Upgradation for SMEs Processing Facility – Punjab & Sindh:* USAID Firms Project consultant Dr. Gleyne Bledsoe conducted site visits on August 28, 30, and September 5, 2012, at Syed Fayyaz Ali Industries Private Limited (SFA), Perfect Food Industries, and Eco Foods Lahore, respectively, three signatories participating in the project's dried mango pilot assistance program. Following the site visits, the consultant shared customized layouts with the partner SMEs facilities. This upgradation work will ensure that SMEs can house mango drying operations such as the zoning of wet, dry, and storage areas, and housing of drying equipment, tools, and machinery, while ensuring international standards of quality and hygiene.

- *Providing Assistance in Drying Technology, Tools and Equipment to SMEs Processing Facilities:* The vendor for mango dryers—PAMICO Technologies—was selected through an RFP (Request for Proposal). The contract has been signed for the delivery, commissioning, and installation of four dryers at project-selected facilities. Expected delivery for the first dryer at one of the selected facilities is mid-November 2012. Simultaneously, as part of the dried mango pilot assistance program, procurement of tools and equipment for drying facility operations has been initiated and, upon satisfactory completion of facilities upgradation, the equipment will be delivered to the project-selected facilities.

AGRICULTURAL IMPLEMENTS MANUFACTURING SECTOR – PUNJAB

- *Consultative Meetings for Agriculture Implements Manufacturing Sector:* Between November 18 and 28, 2011, the project held several meetings with stakeholders from the agriculture implements manufacturing sector. The purpose of the meetings was to share the project's proposed work plan and refine the course of action for developing the sector's value chain based on stakeholder feedback and suggestions. Stakeholders included representatives from SMEDA, Pakistan Agriculture Machinery and Implements Manufacturing Association (PAMIMA), University of Agriculture Faisalabad (UAF), Agriculture Machinery Research Institute Faisalabad Unit, Government of Punjab (Director General Agriculture Engineering), and TUSDEC (Technology Upgradation and Skill Development Company).
- *Awareness Seminars on Agricultural Implements Manufacturing Sector –Punjab:* On March 5 and 6, 2012, the USAID Firms Project conducted seminars for the first cluster of the agricultural implements manufacturing sector in Punjab. The purpose of these seminars was to sensitize the manufacturers about good manufacturing practices in order to become more cost competitive. The seminar in Daska was attended by 58 participants; 48 participants attended the seminar in Faisalabad.
- *Signing of Agreements with Agricultural Implement Manufacturing SMEs –Punjab:* The USAID Firms Project signed agreements with a total of 11 SMEs from Faisalabad and Daska in the agricultural implement manufacturing sector during the period starting July 6 and ending on July 20. Under the program, SMEs will be provided technical assistance, equipment upgrades, support in acquiring ISO-9000 standards certification, international benchmarking visits, and support in domestic and export marketing.
- *Assistance to Agriculture Implements Manufacturing SMEs –Punjab:* On September 14, 2012, the USAID Firms Project initiated assistance in improving welding operations, material selection, and achieving ISO 9000 certification at 11 agriculture implements manufacturing SMEs in the Daska and Faisalabad clusters. The project will facilitate reduction in the cost of production by identifying and facilitating the purchase of equipment that results in minimum electricity consumption, reducing wastage, and training welders to improve the quality of the finished implements. The assistance will improve the efficiency, productivity, quality, and cost competitiveness of these SMEs with the end goal of increasing sales for the SMEs.

FRUIT AND VEGETABLE PULPING SECTOR – PUNJAB AND SINDH

- *Meeting with Nestlé Pakistan:* A meeting was held with Nestlé Pakistan pulp concentrate procurement team on December 21, 2011, and then again on February 6, 2012. USAID Firms Project's representatives met to discuss the quality issues for fruit and vegetable pulp/nectar faced by Nestlé. Nestlé shared its experience of dealing with various pulp suppliers who required

technical assistance and capacity building. The meeting adjourned with the awareness that there was a dire need to develop the indigenous fruit and vegetable pulping sector.

- *Hazard Analysis and Critical Control Point (HACCP) Training for the Fruit and Vegetable Pulping Sector:* The USAID Firms Project held two HACCP certification training sessions in Karachi and Lahore, on April 23-25 and 26-29, 2012, respectively. The training aimed to enhance the capacity of fruit pulping units to produce pulp meeting international standards for hygiene, food safety, and food handling. Ten participants attended the training in Karachi; 10 participants attended the training in Lahore.
- *Signing of Agreements with Fruit and Vegetable Pulping SMEs – Sindh & Punjab:* The USAID Firms Project has signed contracts with four SMEs from the fruit and vegetable pulping sector between the dates July 16 and September 5, 2012. Under the program, the SMEs will be provided with technical assistance, technology upgrades, market linkages, and certifications to improve their productivity and cost competitiveness.

SMALL AND MEDIUM ENTERPRISE DEVELOPMENT AUTHORITY (SMEDA) – PUNJAB

- *Formation of Working Groups with SMEDA – National:* Working groups for the agriculture implements manufacturing, fruit and vegetable pulping, marble, and date sectors have been formed. The USAID Firms Project sector teams and focal people appointed by SMEDA make up the working groups. The first meetings of the groups are to be scheduled in the coming weeks to share information on working documents and progress made in each of the sectors. These meetings will initiate the day-to-day collaboration between the two organizations in their work in the four sectors.
- *Meeting with SMEDA – National:* On August 15, 2012, the USAID Firms Project had a working group meeting with Mr. Alamgir Chawdhary, General Manager-Outreach at SMEDA, and other representatives from the organization. Areas of collaboration between SMEDA and the project were identified such as marble, agriculture implements, fruits and vegetable pulping, and dates. SMEDA requested the project propose a focal person for each of the four sectors along with highlighting any operational requirements for collaboration.

DATE SECTOR – SINDH

- *Consultative Sessions with Date Palm Sector Stakeholders:* Consultative sessions with date palm farmers, owners of date palm processing factories, Sindh Abadgar Foundation, and Sindh Dates Growers Association were conducted at Theiri and Khairpur in October 2011. These sessions provided useful insights into the current scenario of the dates sector and helped in the identification of interventions by the Firms Project. The farmers, owners of processing factories, and members of dates sector representative associations provided in-depth knowledge of the dates sector business dynamics on the basis of which a rationalized and sustainable business model was formed for both farmers and dates processing units.
- *Request for Assistance (RFA) Process of Dates Assistance Program:* In February 2012, an RFA was floated in the national newspapers announcing Firms Project assistance available to date palm farmers. A total of 59 applications from date palm farmers and four applications from dates processors were received in response to the advertisement.

- *Final Selection of Beneficiaries:* In May 2012, final selection of 45 SME date palm farmers (beneficiaries) was made for inclusion in Dates Assistance Program designed to upgrade on-farm infrastructure and enable farmers to convert fresh dates into dry dates with satisfactory quality. All the beneficiaries' owned parcels of land between 10 and 25 acres.
- *Distribution of Tools and Equipment to Date Palm Farmers:* On July 23, 2012, a dedicated warehouse facility was established at Khairpur district for the distribution of tools and equipment to the date palm farmers. The warehouse facility was established to develop a standard storage and distribution point equipped with all associated services (e.g., labor, electricity, ample storage space, and security arrangements). On July 26, the Dates Assistance Program initiated distribution of the tools and equipment, including hand carts, plastic crates, waterproof tarpaulins, orchard sprayers, and ladders among 45 farmers.
- *Signing of IUA with Beneficiaries:* All date palm farmers signed IUAs in order to receive the tools and equipment. The Firms Project technical team also provided user manuals to each farmer to instruct them on proper usage practices and the way each tool could be used to increase a farm's productivity and profitability. A documentary on the dates sector was distributed among all 45 date palm farmers (beneficiaries). This was developed to give the beneficiaries an overview of the dates sector and to enhance their knowledge of the potential economic impact of the sector in Pakistan's economy.
- *Construction of Solar Date Dryer Tunnels:* Construction of solar date dryer tunnels began in August 2012. Each farmer (beneficiary) provided a piece of land on his/her date palm farm measuring 1,260 sq. ft. for the construction of a solar tunnel dryer. To date, the construction of a total of 21 solar tunnel dryers have been completed.
- *Visit of COTR to Khairpur:* In August, Ms. Kanwal Bokharey visited Khairpur to see the Firms Project's activities benefiting the dates sector. She visited the date palm farms where the solar date tunnel dryers were installed and operational. She also held a consultative session with the 45 date palm farmers..
- *Post-Distribution Monitoring by M&E Team:* The representative of the M&E team visited Khairpur in September 2012 to assess the post-distribution impact of the dates assistance program. Generally positive feedback was provided by the M&E Team in its report on the dates assistance program.
- *Business Plan for Large-Size Commercial Cold Storage Unit:* A business plan for a large-size commercial cold storage facility is under development. All the field work and technical assessments have been completed by the hired consultants. As per their findings, there is high demand in this sector for such a unit. All the sector stakeholders—including farmers, processors, traders, and exporters—appreciated this intervention and treated it as a “revolutionary step” in the dates sector.

KNITTED GARMENTSECTOR – SINDH

- *Awareness of Knitted Garments Business Upgradation Program among Relevant Associations:* The USAID Firms Project invited seven trade and industrial associations to a meeting to introduce the Knitted Garments Program and encourage SMEs to apply for it. The meeting took place at the USAID Firms Project Karachi Office on April 2, 2012. The

representing associations were (1) North Karachi Association of Trade and Industry, (2) Korangi Association of Trade and Industry, (3) Federal B Area Association of Trade and Industry, (4) S.I.T.E. Super Highway Association of Trade and Industry, (5) Bin Qasim Association of Trade and Industry, (6) Pakistan Readymade Garment Manufacturers and Exporters Association, and (7) Pakistan Hosiery Manufacturers Association.

- *Signing of Business Upgradation Agreement:* The USAID Firms Project has signed a business upgradation agreement with 20 knitted garment manufacturing units for the Knitted Garments Program. The Firms Project is going to assist these SMEs by providing trainings and software and assisting in acquisition of international certifications. At the end of the program, the project will provide each beneficiary with a direct linkage with U.S. garment importers.
- *Market Linkages Consultant:* The USAID Firms Project has engaged an international consultant to create linkages of selected SMEs with U.S. knitted garment importers/buyers. The consultant visited the selected 20 garment manufacturing SMEs from June 15 to 27, 2012. The objective of his visit was to understand and analyze the product(s) that these SMEs are manufacturing and find the right match for them in the U.S. market.
- *Registration with Worldwide Responsible Accredited Production (WRAP):* Eleven beneficiaries have been registered with WRAP. WRAP is the world's largest facility certification program for labor-intensive sectors, including apparel, and is supported by 25 international trade associations of which the most prominent are the American Apparel and Footwear Association (AAFA) and the International Apparel Federation. The AAFA is the largest and most representative sewn products trade association in the U.S. with over 700 member companies, including Sara Lee Corporation, Jockey International, VF Corporation, Russell Corporation, OshKosh B'Gosh, Tropical Sportswear International, and Gerber Childrens wear.
- *Preparation of Worldwide Responsible Accredited Production:* The principal consultant for WRAP has visited the 11 factories and conducted a gap analysis to identify areas that need improvement in order to fulfill the 12 principles of WRAP.
- *Preparation of Customs Trade Partnership against Terrorism (C-TPAT):* The USAID Firms Project is assisting 16 beneficiaries to acquire C-TPAT certification. A gap analysis has been conducted by the Firms Project's STTAs to identify areas that need improvement in light of the C-TPAT requirements. C-TPAT is a voluntary supply chain security program led by U.S. Customs and Border Protection (CBP) and different buyers. It allows for quicker customs clearance, hence shorter delivery times.
- *Awareness Session on C-TPAT:* An awareness session was organized for 16 beneficiaries on Friday, September 28, 2012, in the USAID Firms Project's Karachi Office, where the consultant for C-TPAT gave a presentation to the beneficiaries explaining what C-TPAT is, its benefits, and which U.S. buyers recommend C-TPAT certification.
- *Awareness session for Compliance Team on C-TPAT:* Compliance teams have been formed in two factories, Al Ghousia Industries and Al Hadi Industries. The compliance team in each factory was trained by the consultant on the requirements of C-TPAT, the seven principles of C-TPAT, and how to carry out C-TPAT security guidelines in future. Four participants attended the session at Al Ghousia Industries, and seven participants attended at Al Hadi Industries.

WORKFORCE DEVELOPMENT – SINDH

- *Workforce Development Meetings with Stakeholders –Sindh:* At the request of USAID, the Firms Project is conducting research on the development of workforces in Karachi. In this regard, the wage employment and vocational training experts of the project have met with stakeholders in the textile and garments, leather garments and accessories, and associations and training institutes sectors. On September 17, 2012, the project consultants met with the Technical Education and Vocational Training Authority (TEVTA) and on September 18, 2012, with the Employers Federation of Pakistan and Skill Development Council. The study is expected to be completed by the first week of October 2012.

PEACH SECTOR – KP

- *Pre- and Post-Harvest Training:* From April 2 to 19, 2012, consultant Qazi Ihsan-ul-Haq conducted (Training of Trainers) TOT for VCD Swat staff. He assisted staff in conducting pre-harvest best practices trainings in 11 clusters for 392 SMEs in Lower and Middle Swat. From May 23 to June 14, he conducted an additional TOT for post-harvest best practices trainings, assisting in 11 clusters for 307 SMEs in the same locations.
- *Market Linkages for Peach Growers:* In late May 2012, the USAID Firms Project released a request for Expressions of Interest (EOI) to identify potential large buyers for partner SMEs. Three potential buyers from Islamabad and Lahore travelled to Swat and met with peach cluster leaders on June 25 to discuss prices, quality, delivery, varieties, and terms and conditions.
- *In-kind Assistance to Peach Growers:* Each of the 449 farmers in 11 peach clusters received a pruning kit, a harvesting kit and a share of 16,447 corrugated cartons that were distributed August 13 to September 20, 2012. The distributed items included bamboo and aluminum ladders, plastic and local bins, small and large cutters, and waterproof tarpaulin sheets. Delivery of pruning saws has begun and will be completed within October 2012.
- *Access to Finance and Credit:* The VCD team held meetings with several banks that have offered micro-finance services in the past or intend to do so in the future. The VCD team and representatives of Bank of Khyber, Khushali Bank, and Akhuwat Bank conducted “Access to Credit and Finance” orientation sessions on September 4, 5 and 6, 2012, for 150 peach growers.

POTATO SECTOR – KP

- *Potato Pre-Harvest Training TOT:* From April 30 to May 6, 2012, consultant Dr. Nawab worked with eight VCD Master Trainers on staff to conduct pre-harvest best practices trainings for 193 SMEs in six potato-producing clusters of Swat.
- *Potato Post-Harvest Training TOT:* From September 26 to 30, 2012, consultants Mr. Rahim Khan and Dr. Nawab prepared material and conducted post-harvest best practices trainings for 176 SMEs in five potato-producing clusters of Swat.
- *Business Edge Training Program:* To further develop the target SMEs working on the Firms Swat Potato Sector Activity, SE Trading delivered the International Finance Corporation’s (IFC) Business Edge training on June 13 and 14, 2012. The training, held in Kalam, Swat, focused on the benefits of record and bookkeeping, accurate product costing, managing cash flow, creating business plans for expansion, and qualifying for bank loans. Twenty-four SMEs representing the six clusters participated in this training.

- *SE Trading and Cluster Leader Contracts:* Socio Engineering Group (SE Trading), met with potato cluster leaders in Swat and signed an agreement for advancing of seeds, fertilizer, and plant protection products to 226 SMEs with a buy-back agreement giving farmers PKR 20/Kg. SE Trading has distributed 47 tons of Lady Rosetta seeds and other related inputs. Additionally, PepsiCo signed a contract with SE Trading to purchase 350 tons of chips stock potatoes at PKR 26/Kg.

MARBLE AND GRANITE SECTOR – KPK, BALUCHISTAN, SINDH, PUNJAB

- *Consultative Session with Marble & Granite Industry:* Prominent and progressive members of the industry were gathered on June 22, 2012, in Islamabad (Serena Hotel) to initiate dialogue between USAID and sector stakeholders on marble sector potential and issues, and to understand the current situation with respect to production techniques, workforce availability, domestic consumption, and exports. Fifty participants representing all steps of the value chain—including quarrying, processing, exports, value added products (mosaics) manufacturers, academia, provincial mining departments, and business development organizations from all over Pakistan—participated in the meeting.
- *Preparation of Cross-Cutting Responses Matrix:* The sector's issues, constraints, and challenges have been gathered together from the input received during interaction with industry at various levels and have been summed up in a cross-cutting matrix that outlines all of the above in a systematic manner and provides useful information on challenges at each step of value chain. This will help the USAID Firms Project to base its proposed strategy on the information provided by the sector.
- *Meeting of Core Consultative Group:* The USAID Firms Project organized the first meeting of the core consultative group on October 4, 2012, at PC Hotel, Karachi. The objective was to introduce group members to each other, understand the expected role of the group, and share the proposed sector strategy. Based on the feedback of the group, the program design will be improved and finalized for presentation to USAID

TELENOR AGRICULTURE TRADE COMMODITY PROJECT – KP

- *Telenor Agriculture Commodity Trade Project (ACTP) – KP:* To enhance the functioning of agricultural markets, the USAID Firms Project has undertaken an initiative in collaboration with Telenor Pakistan and the government of Khyber Pakhtunkhwa (KP). The initiative aims to capitalize on mobile technology to assist agricultural SMEs through information dissemination. On September 18, 2012, a tripartite Memorandum of Understanding (MoU) was drafted and shared with USAID for review. Once approved by USAID, the signing ceremony will take place to mark the commencement of the Telenor ACTP.

BUSINESS ENABLING ENVIRONMENT (BEE)

AGRICULTURAL MARKETING – PUNJAB AND SINDH

- *Assistance to Department of Agriculture – Sindh:* The USAID Firms Project worked with the Department of Agriculture, Sindh, to amend the 2010 Reform Act in order to incorporate electronic trading, expand permissible modes of trading, lower financial burden on notified markets being converted into market companies, and enable the creation of an independent Sindh

Agriculture Marketing Produce Board, which will register market companies and private markets, promote standards, and develop linkages.

- *Balochistan Government Approves Policy Framework in Principle:* The Department of Agriculture, Balochistan, has prepared a draft policy for liberalizing agriculture markets, which has incorporated all the major recommendations made by USAID Firms Project consultant Dr. Preston Pattie. A focused discussion with the private sector in Quetta is planned in the month of October 2012 to obtain their feedback on policy reforms. The Department of Agriculture will be urged to finalize the policy for liberalizing agriculture markets after taking into account the views obtained from the private sector during the focused discussion.
- *Khyber Pakhtunkhwa Government Expresses Interest in Agriculture and Livestock Reforms:* During briefing sessions with the Additional Chief Secretary and Secretary, Agriculture, USAID Firms Project staff presented the salient aspects of agriculture market reforms and the efficiencies that may arise from making the sector more competitive and inclusive. Principles of reform have also been shared with the Department of Agriculture so that they may be included in the Khyber Pakhtunkhwa Agriculture Strategy and Policy (*A Ten Year Perspective*) under preparation as a precursor to technical assistance for regulatory reform.
- *Stakeholder Consensus in Punjab on Draft Reform Act:* In June 2012, The USAID Firms Project organized a focused discussion with the private sector in Punjab. Invitees included growers, processors, exporters, and entrepreneurs who had set up horticulture markets in the province. The participants strenuously endorsed the need for reform, which would bring about an efficient marketing regime through abolition of notified areas and market committees, conversion of public markets, opening space for private sector, and set up of an independent board.

LIVESTOCK SECTOR – PUNJAB AND SINDH

- *Provision of Technical Assistance to the Government of the Punjab:* Following provision of technical assistance to recommend comprehensive policy reforms in the livestock sector, the Punjab Livestock Department has communicated its acceptance of policy recommendations and has shown appreciation for analytical work carried out by the USAID Firms Project. Technical assistance was also provided to articulate prioritized reform proposals for the short term and the long term, in addition to a draft legislative instrument to regulate slaughter and meat processing, which has been accepted by the department.
- *Stakeholder Consensus in Punjab on Policy Reforms Proposals:* In June 2012, the Firms Project organized a stakeholder dialogue with the private sector in Punjab to build consensus on reforms and to raise awareness among invitees, who included exporters, farmers, corporate farmers, and representatives of industry associations. The participants endorsed the recommendations for reform and expressed their appreciation for the comprehensive nature of analytical work carried out by the Firms Project. Following the stakeholder dialogue, Firms Project staff was invited to attend the next meeting of the private sector-led Livestock Advisory Board to share its findings.
- *Provision of Technical Assistance to the Government of Sindh:* The Sindh Livestock Department has accepted most of the recommendations for reform of the livestock sector that were submitted to the department. During subsequent meetings, the department asked Firms

Project staff to incorporate comments provided by the department in order to integrate the recommendations with the existing priorities and with recently completed analytical work on a livestock master plan. The department also asked for assistance in developing several legislative instruments to implement the reforms.

- *Provision of Technical Assistance to the Government of Balochistan:* The Balochistan Livestock Department has communicated its acceptance of policy recommendations and has shown appreciation for technical assistance provided by the Firms Project. The department has also prepared a draft Livestock Policy, which is being revised with the assistance of the Firms Project. The project is assisting the department in giving a final shape to its draft Livestock Policy document.

- *Khyber Pakhtunkhwa Government Expresses Interest in Livestock Sector Reforms:* During briefing sessions with the Additional Chief Secretary and Secretary, Agriculture, Firms Project staff presented the salient aspects of livestock sector reforms and the efficiencies that may arise from making the sector more competitive and inclusive. Principles of reform have also been shared with the Department of Agriculture so that they may be included in the Khyber Pakhtunkhwa Agriculture Strategy and Policy (*A 10 Year Perspective*) under preparation as a precursor to technical assistance for regulatory reform and legislative development.

SMALL AND MEDIUM ENTERPRISE DEVELOPMENT AUTHORITY (SMEDA) – PUNJAB

- *Technical Assistance to SMEDA:* USAID's framework of technical assistance to SMEDA focuses on building its capacity to address SMEs needs in a more demand-responsive manner. This framework includes a detailed review exercise to address limitations in SMEDA's mandate, governance structure, and SME Policy 2007 (SME Bill) as well as SMEDA's strategic thrust, funding sources, service menu, and service delivery and outreach mechanism. These interventions will improve SMEDA's technical proficiency as an organization catering to SME needs through increased efficiency of service delivery. An advisory committee composed of industry leaders from the private sector and government representatives will steer this exercise.

- *Expected Impact:* In light of the Government of Pakistan's Vision 2030 for industrial growth, this approach offers a unique opportunity to transform SMEDA into an institution that can play a leading role in mobilizing SMEs towards contributing towards the ministry's national goal of rapid industrialization. Under the guidance of a supportive advisory committee, this holistic approach will help SMEDA realign its strategy, objectives, and services offered, which will, in turn, feed into improvement of its technical ability to deliver those services.

BOARD OF INVESTMENT (BOI) – FEDERAL

- *Strengthening the BOI:* The Board of Investment is responsible for promotion of investment in all sectors of Pakistan's economy, facilitation of local and foreign investors, enhancement of Pakistan's international competitiveness, and contribution to economic and social development. As a focal point of contact for prospective domestic and foreign investors, the BOI's mission is to propose measures to create a continuously improving investment-friendly environment provide exemplary leadership as the apex investment promotion body and strengthen linkages between private and public sectors. In recognition of the BOI's significance as a key implementing partner, USAID intends to offer technical support to help the BOI achieve its mandate.

- *Scope of Technical Assistance:* USAID intends to offer technical assistance to help the BOI achieve its mandate and identify areas where it will need support in order to produce desired results. This technical assistance will outline how the BOI can expect to achieve the objectives set out in its business plan, identify key challenges that hinder achievement of desired results, identify what needs to be done by whom within specified timeframes to overcome these challenges, identify the BOI's primary client base, and make recommendations for how it can periodically measure performance against specific measurement indicators.

INVESTMENT PROMOTION COUNCIL (IPC) – KP

- *Fixed Obligation Grant (FOG):* The FOG envisaged creating the IPC to the extent of registering it with the relevant registration authority (SECP). Under the FOG, RIPORE was tasked to get a proposal ready for the most viable form of an IPC for KP/FATA through both private and public sector consultations, get the Government of KP and FATA Administration's buy-in/patronage, and finally register the IPC with SECP. Now the dynamics have changed, as the Government of KP is not willing to make a final decision on IPC. The Government of KP can take the proposal forward later if it is able to decide upon the need for an IPC for Khyber Pakhtunkhwa.
- *New Modification in Fixed Obligation Grant:* This was signed-off in July 2012, which extended the deadline from April 12, 2012, to August 20, 2012. RIPORE has completed eight of the nine milestones as outlined in the FOG. However, due to unexpected delays because of Eid holidays, RIPORE and the USAID Firms Project have agreed on a no-cost extension in the FOG and extend the deadline further, to November 2012. Therefore, another modification in the FOG is underway to factor in the revised timelines.

PROVINCIAL RECONSTRUCTION, REHABILITATION AND SETTLEMENT AUTHORITY (PaRRSA) – KP

- The Firms Project is placing seven staff members with PaRRSA to provide technical support in PaRRSA's Economic Growth and Communications departments. The staff members include three specialists and four associates. They provide fortnightly reports to the Firms Project. The project is also developing a Progress Review System/Database for PaRRSA, which should provide a better reporting system for its M&E section. This task is sub-contracted to Cogilent Solutions, which has completed four of the seven deliverables. This work will be completed in December 2012.

SOUTH WAZIRISTAN AGENCY STUDY – FATA

- *Assessment Study:* The Firms Project commissioned an assessment of South Waziristan Agency to identify agriculture and non-agriculture sectors in order to increase incomes and employment opportunities, and at the same time leverage existing USAID investments in terms of infrastructure. This study has identified new sectors for possible interventions to fulfill the project's ultimate goal of increasing sales and jobs while undercutting extremism. The final report for this study has been shared with the Firms Project COTR for USAID approval.

TOURISM SECTOR – KP

- *Presentation on KP Tourism Sector in the Consultative Workshop on IPC:* On December 21, 2011, RIPORE organized a day-long consultative workshop at Peshawar on Investment Promotion Council (IPC) to get the perspective of different stakeholders regarding the way forward on the sectoral reforms in KP Province. The USAID Firms Project gave a detailed

presentation on the tourism sector in KP to highlight the need for reform in the tourism sector and opportunities for investment promotion in this sector. IPC will make tourism a priority sector and initiate a process that will ensure the implementation of the KP Tourism Vision document.

- *Launching of KP Tourism and Industry Sectors' Vision Documents:* The ceremony to formally launch the vision documents on industries and tourism sectors of KP was held on January 24, 2012, at Khyber Pakhtunkhwa Chamber of Commerce and Industries at Peshawar. Bashir Ahmed Bilor, senior minister of KP, was the chief guest on this occasion, and Dr. Andrew B. Sisson, mission director of USAID, attended as a guest of honor. Syed Jamal-ud-Din Shah, secretary of KP Tourism Department; Afan Aziz, president of KPCCI; and large number of government officials, senior members of KPCCI, and staff members from USAID and the Firms Project were also present.

- *Meeting with Secretary Tourism KPK to Discuss Progress on the Implementation of Tourism Vision Document:* On March 5, 2012, the USAID Firms Project held an important meeting with the secretary tourism of KPK at Peshawar. The purpose of this meeting was to discuss the progress on the implementation of the Tourism Vision Document, which was presented to the Government of KP in a high-profile event held at KPCCI on January 24, 2012. The secretary informed those assembled that his department has already set up a Tourism Vision Document Implementation Cell in Tourism Corporation Khyber Pakhtunkhwa, which monitors the progress of the implementation and network with concerned departments and organizations.

- *Swat Tourism Web Portal:* The Swat Tourism web portal—www.tourswat.com—has gradually gained popularity and has now become an established source of updated tourist information on Swat. The USAID Firms Project tourism specialist and PA team continued work on improving the contents and adding new features on this web portal to make it more user friendly. So far, more than 40,000 visitors have accessed the portal with more than 394,000 hits to view information on its different pages.

MINES and MINERALS

- *Technical Assistance for Mining Sector:* A meeting was held with Mr. Attaullah Khan, additional chief secretary Khyber Pakhtunkhwa P&D (Planning and Development), in Peshawar on July 10, 2012. The meeting was held to apprise the KPK Government on the reform efforts of the USAID Firms Project in the rest of the provinces in respective sectors. A presentation was also made on the proposed policy/regulatory reform assistance to the KPK Government in the mines and minerals sector. The KPK Government welcomed the initiative and expressed intent to work with the USAID Firms Project to reform the mining sector.

- *Reform Assistance Program to KPK:* A meeting was held with the officials of the KPK Directorate of Mines and Minerals on September 5, 2012, to further develop the proposed reform assistance program to the KPK Government in the mining sector. Meetings were held with the Director General Mines and Minerals KPK Mr. Farooq Iqbal, Chief Inspector Mines KPK Mr. Fazal Hussain, and Director Licensing Mr. Obaidullah to refine the assistance program. Following the meeting, a request was made to the KPK P&D to send a formal request for assistance to USAID to provide reforms assistance in the mining sector. The process of reform will begin when this request is received.

MONITORING AND EVALUATION (M&E)

MONITORING OF TRAININGS

- The USAID Firms Project's M&E Team has introduced pre and post training assessments to measure the change in participants' knowledge level as a result of their participation in the project-led trainings conducted during the reporting period for the Mango, Fruit and Vegetable Pulping, Swat Peaches, and Swat Potatoes Programs. This methodology involves the development of close ended pre and post training questionnaires administered to randomly selected participants before the start of the training, and accordingly administered to the same participants at the end of the training. The details of these assessments are provided below.

- Mango: The Balanced Nutrient Application training, which was attended by 160 participants, recorded an average increase in knowledge of 33 percent (27 percent pre-training to 60 percent post-training) in Sindh and 28 percent (37 percent pre-training to 65 percent post-training) in Punjab about the key topics covered during the trainings. . Improvements in overall facilitation, time management, and a focus on inviting the farmers directly involved in the mango growing was stressed as part of the team's recommendation to enhance the overall effectiveness of future trainings. M&E pre and post assessments were also conducted for Integrated Pest Management, Hazard and Critical Control Point (HACCP) for Mango Packhouses, and Mango Harvest Management trainings.

- Fruit and Vegetable Pulping: A three-day HACCP training for the Fruit and Vegetable Pulping sector held in Sindh and Punjab was found to be highly effective, with a total of 22 participants (out of 28) graduating successfully. Graduation criteria included a minimum attendance of 75 percent duration on each day of the training, and a minimum score of 50 percent in the post-training assessment questionnaire administered at the end of each day.

- Swat Peaches: Monitoring of the Peach Pre and Post-Harvest trainings in Swat indicated that the knowledge level of the participants was 69 percent (with an average increase of 43 percent) and 61 percent (with an average increase of 35 percent), respectively. The application of management practices by partner peach farmers was further validated by the M&E team's baseline survey for the peach value chain, which indicated that a majority of participants (65%) partially adopted good farming practices imparted during project-assisted trainings. Moreover, a majority of participants (95%) reported the USAID Firms Project as the main source of information regarding good farming practices for the peach value chain.

- Swat Potatoes: Monitoring of the Potato Pre-Harvest trainings in Swat indicated that the knowledge level of the participants was 78 percent (with an average increase of 41 percent) as a result of the training. The application of management practices by partner potato farmers was also validated by the M&E team's baseline survey for the potato value chain, which indicated that a majority of participants (66%) fully utilized and engaged in improved potato farming practices imparted during project-assisted trainings. Moreover, a majority of participants (98%) reported the USAID Firms Project as the main source of information regarding potato farming practices.

BASELINES

- Baselines were conducted for the Swat Peach, Swat Potato, and Dates value chains during the reporting period.

PERFORMANCE MANAGEMENT PLAN (PMP) & PAKINFO

- A significantly revised PMP was submitted to USAID in light of the 2010 program audit recommendations to ensure that the PMP was compliant with ADS 203, ADS 203.3.3.3.1 (Contents of a Complete Performance Management Plan) and the ADS 203.3.3.2 (Format of a Complete PMP). With the finalization of the Year 3 AIP, the targets for the various program activities were also modified. The LFA and PMP were consequently revised to incorporate these modified targets, and updated versions of these documents were submitted to USAID. The USAID Firms Project updated all its tehsil and/or district level activities on PakInfo. These included the project activities under the grants program for Swat hotels and Swat fish farms, beneficiaries of the Mango MUAVAN Program (recipients of assistance for Infrastructure Upgradation and Mango GlobalG.A.P certification) in Punjab and Sindh, and all training events conducted during the reporting period.

DISTRIBUTION MONITORING

- Dates: The USAID Firms Project's M&E team conducted a post-distribution monitoring survey for equipment/items distributed to partner date farmers in Khairpur district, Sindh province in order to effectively attribute project results to project interventions in the dates value chain. Items distributed included orchard sprayers, aluminum ladders, plastic crates, tarpaulin sheets, and solar dryer tunnels. The overall findings of the monitoring exercise were generally positive. All date farmers reported receiving the mentioned items; however, farmers were unable to use items that were received late. Construction of the solar dryers was not complete at the time of monitoring and these findings along with other observations were shared with the dates program team for follow-up.
- Swat Peaches: The USAID Firms Project's M&E team conducted real time monitoring of peach in-kind distribution in Swat which revealed the farmers' concerns on the quality of the different items. The distribution was stopped and after successful negotiation with the vendor; items of concerns were replaced with high quality products that satisfied the farmers' expectations.

PLAN FOR THE NEXT YEAR:

- The M&E team will continue to independently monitor the program activities as stipulated in the revised PMP. This would include continued monitoring of the trainings; supporting program teams in periodic data collection; monitoring distributions; analysis and reporting; establishing baselines for targeted value chains; and reviewing and revising the PMP, AIP, and the project log-frame as required. More specifically, baselines will be conducted for the Islampur Weaving, Fruit and Vegetable Pulp, Knitted Garments, Agricultural Implements, and Marble value chains.
- The M&E team will also be conducting the following assessments and studies in the following year: value chain impact assessment of the mango value chain, training impact assessment for the mango program, cost of production study to establish baselines for the Agricultural Implements value chain, and an impact assessment for the Swat grants program. In

addition, the M&E team will also ensure environmental compliance for all project activities per USAID standards and regulations.

STAFFING

LONG-TERM STAFF

Region	Positions hired during this year			Total filled positions to date		
	Male	Female	Total Filled	Male	Female	Total
Management Positions						
Lahore	0	0	0	2	0	2
Islamabad	0	0	0	1	0	1
Karachi	0	0	0	1	0	1
Subtotal	0	0	0	4	0	4
Professional Staff Positions						
Lahore	6	1	7	17	10	27
Islamabad	4	1	2	5	1	6
Karachi	1	-1	0	4	2	6
Swat	-1	0	-1	1	0	1
Subtotal	10	1	8	27	13	40
Support Staff Positions						
Lahore	2	2	4	10	7	17
Islamabad	2	1	0	5	1	6
Karachi	4	0	4	5	1	6
Swat	-4	0	-4	1	0	1
Subtotal	4	3	4	21	9	30
TOTAL	14	4	12	52	22	74

KEY PERSONNEL

Key Personnel Name	Designation	Employment Type		Contact Number	Email Address
		Long-Term	Short-Term		
Donald Hart	Chief of Party	<input checked="" type="checkbox"/>	<input type="checkbox"/>	0092 (322) 505 7073	dhart@epFirms.com
Andrew Lauck	Director of Operations and Program Support	<input checked="" type="checkbox"/>	<input type="checkbox"/>	0092 (347) 777 4778	alauck@epFirms.com
Farrukh Khan	Value Chain Development Component Lead	<input checked="" type="checkbox"/>	<input type="checkbox"/>	0092 (344) 448 5023	fkhan@epFirms.com
Suleman Ghani	Business Enabling Environment Component Lead	<input checked="" type="checkbox"/>	<input type="checkbox"/>	0092 (300) 4027776	sghani@epFirms.com
Fawad Khan	Office Director Karachi	<input checked="" type="checkbox"/>	<input type="checkbox"/>	0092 (344) 448 5011	fhkhan@epFirms.com
Qazi Ihsan Ul Haq	Office Director Islamabad	<input checked="" type="checkbox"/>	<input type="checkbox"/>	0092 (344) 448 7965	iqazi@epFirms.com



USAID
FROM THE AMERICAN PEOPLE

PAKISTAN

SUCCESS STORY

Regaining lost ground

Usman Ali, owner of Trout Park Fish Farm and Hotel, boasts of a successful partnership with USAID.



"I give USAID credit for providing me the support to restore and grow my business. Today my business has a name in Swat; I have a name in Swat. If you ask people in Swat where they would like to have trout, they would say Trout Park."

Usman Ali is the proud owner of Trout Park Fish Farm and Trout Park Hotel and Restaurant located in the Madyan region of Swat. His hotel and farm were destroyed in the 2009 militancy and subsequent floods of 2010. With a lifetime worth of assets destroyed, Usman confronted the herculean task of reconstructing his livelihood from a pile of rubble.

Flood damage for the region was estimated at PKR 650 million (USD 7.6 million), and countless individuals lost their jobs and homes. To promote recovery from these disasters, USAID launched the Malakand Small and Medium Enterprise (SME) Recovery Assistance Program. Through the program, USAID disbursed over US \$2.8 million to 239 hotels and 22 trout fish farms of Swat, generating employment and income for hundreds of families and stimulating the economy of Swat.

Like many others looking for a means to get back on their feet, Usman decided to partner with USAID. USAID provided reconstruction material for his hotels and in-kind and cash grants to meet working capital needs for his trout farm. He received construction material, equipment, technical assistance, and training in production and management techniques.

The investments paid off. With superior quality inputs and techniques, partner fish farms reported unprecedented growth and expanded to markets in Swat and other cities. In 2011, tourists flocked from across the country to enjoy Swat's serenity. According to *The Dawn* newspaper, since the Eid festival in August 2012, over 300,000 tourists have visited the valley. As Usman proudly reports: "I am 200 percent satisfied. If it was not for USAID's support, I would not have found the footing to restore and grow my business."

Collectively, his hotel and trout businesses have brought him revenues greater than US\$60,000 in 2012. This year, he imported trout eggs from the United States and sold them to other local farmers. He is now investing in buying another trout farm to meet increasing demand. Happy with the support provided to him, Usman says, "USAID has helped me in the time of need and with their support I have been able to re-establish and expand my business."



USAID
FROM THE AMERICAN PEOPLE

PAKISTAN

SUCCESS STORY

Setting Sales to Sail

USAID is helping the mango farming sector of Pakistan make unprecedented commercial shipments to high-value buyers in Europe and the Middle East.



Photo by USAID Firms Project

USAID's help to the mango sector will increase incomes and employment. The intervention is helping farmers in acquiring state-of-the-art infrastructure, certifications, and knowledge that is helping bring their produce to international standards. USAID is also building international market linkages for farmers by facilitating trial shipments that boost international buyer confidence in Pakistan as a consistent source of quality produce.

On July 11, 2012, 16,000 tons of mangoes made their way to the European port of Rotterdam, Netherlands, taking 26 days in a 40-foot reefer, from a small farm in the heart of Sindh province of Pakistan. The USAID-supported processing line from Murtaza Agriculture Farm in Sindh made this breakthrough possible. The farm's mangoes were tested extensively over several days by the Pakistan Horticulture Development and Export Company (PHDEC), Australian Support Linkage Program (ASLP), and technical experts from Total Exotic, UK, allowing for the first successful commercial sea shipment of excellent grade fruit from Pakistan to a high-end European buyer.

In 2009, USAID began assisting Pakistani mango farmers by enhancing their capacity through innovation, new technologies, and knowledge, effectively boosting productivity, profitability, and competitiveness. At the time, Pakistan, which is one of the world's largest mango producers with an annual crop of 1.73 million tons, had realized only a fraction of its export potential. Sea transfers were the most commercially viable means of transporting mangoes to foreign markets, but farming practices and technologies in Pakistan were not developed for the superior quality and extended shelf life required to survive sea shipments.

Today, 15 packhouses in Pakistan have been established through USAID assistance. Together with technical assistance, this has helped improve mango quality and shelf life, and has increased yields by 20 percent. To strengthen value chains and help local mango farmers create linkages with high-end markets abroad, USAID further facilitated five trial shipments from farms to Europe. This was a long and laborious effort perfecting sea transfers and gaining the confidence of high-end buyers in the leading export markets of the world. In July of 2012, Total Exotic, a large-scale buyer from Europe, received its first shipment of blemish-free, superior quality mangoes from Pakistan with seven days of shelf life remaining for further distribution.

Following this first success, buyers showing a committed interest in importing a consistent quantity of mangoes from Pakistan are contacting USAID-assisted farms and paving the way for a new trade corridor. "USAID improved our capacity through training, technical assistance, and improvements in on-farm infrastructure, which helped us to get the certification and entry into the European market," said Zainul Abidin, owner of Murtaza Agriculture Farm. "With USAID support and encouragement, we improved practices and were able to export a commercial shipment of Sindhri mangoes to meet the conditions of high-end European markets."

Already, commercial shipments carrying 95,000 tons of mangoes are reaching markets in Europe and the UAE. With USAID's assistance, Pakistan is emerging as a potential supplier of high-quality mangoes for global markets with vast possibilities for increased employment and household income.



USAID | PAKISTAN

FROM THE AMERICAN PEOPLE

PHOTO & CAPTION

Potatoes Making Profit



Photo Credit: USAID Firms Project

USAID's assistance is connecting potato farm SMEs from Swat to bigger markets, which is helping revitalize Malakand's economy.

U.S. Agency for International Development
www.usaid.gov

In Swat, Pakistan, USAID support is enabling potato farm SMEs in the Malakand region to improve the quality and quantity of their chip stock potatoes. These potato farm SMEs will now be able to sell their produce from the highlands to large-scale, high-end buyers at a better price, translating into increased revenue. Local farmers are confident that, thanks to USAID interventions, the potato sector, which covers more than 900 hectares and employs over 1,300 people in the region, will dramatically benefit from increased awareness about and exposure to best growing practices, farming equipment, access to finance, and new market linkages.

USAID has employed a cluster-based approach for the program that is developing viable business models for selected SMEs, creating market linkages, providing farm tools, and conducting workforce development trainings. "As a result of the program, we are able to correctly understand the quality requirements of high-end buyers for the first time. Today we are in a better position to successfully market our produce for a better profit," states Muhammad Nabi, an SME potato farmer from Swat.

So far the program has yielded promising results: 226 potato farmers have been trained in pre-harvest practices with trainings on post-harvest practices to follow in August. By the end of 2012, the program will create 55 new jobs in the sector and the per-hectare yield will increase by 10 percent.

PepsiCo, one of the largest producers of potato chips in the country, has already purchased 129 tons of chip stock potatoes from farmers. Prospects for Swat's potato sector appear favorable, indeed, and farmers are already looking forward to a profitable year ahead.



USAID

FROM THE AMERICAN PEOPLE

PAKISTAN

PHOTO & CAPTION

Restoring Swat's Trout Industry



Photo Credit: USAID Films Project

With USAID assistance, trout farmers in Swat have rehabilitated their businesses and are harvesting their first trout stock in several years.

U.S. Agency for International Development
www.usaid.gov

Trout farming, once a thriving industry in Swat, suffered severe setbacks when the region was hit by conflict and floods in recent years, bringing trout production to a grinding halt and resulting in the loss of livelihoods for many trout farmers.

The outlook for the trout industry seemed bleak prior to the launch of USAID's program in 2010 to help reconstruct and rehabilitate trout farms in the region and replenish the stock of marketable fish. Twenty-two qualifying trout farmers received cash grants to meet working capital needs, as well as construction material, fish feed, fish eggs, operating equipment, technical assistance, and training in production and management techniques.

The program has demonstrated astounding success, with trout farmers achieving unprecedented fish growth due to the superior quality of inputs and techniques. Many have begun to sell their fish to food outlets in Swat and other areas. "My business is flourishing, and after several desolate years, I have been able to make a healthy profit this season," said Rashid Khan, grant recipient and owner of Madyan Trout Fish Farm in Swat. "Had it not been for USAID's timely assistance, I would not be in this position today."

The trout industry seems to have regained most of the footing it lost in the conflict and flooding. Up to 100 tons of trout will be available for sale by May 2012, including 25 to 30 tons that have already been produced. Many USAID beneficiaries have already started importing trout eggs in preparation for the next production cycle. Prospects for trout farmers in Swat appear bright, and the industry is poised for many profitable years ahead.



USAID
FROM THE AMERICAN PEOPLE

PAKISTAN

BEFORE & AFTER

Road to Recovery in Swat

USAID has helped rehabilitate hotels in post-flood and post-conflict Swat, restoring livelihoods for many families that depend on tourism.

Tourism has historically been the mainstay of Swat's economy, a USD 60 million a year industry propelled by nearly 400 hotel businesses and thousands of eager tourists who came to the scenic valley in the summer each year. Torrential floods and violent conflict in recent years damaged most hotels as well as other infrastructure in the region, severely crippling this critical industry.

After a thorough business census and selection process, USAID launched a program to help reconstruct and rehabilitate 239 qualifying hotels in the region. The assistance package included cash, construction materials, furniture and appliances, technical assistance, and training in modern hospitality practices and management techniques.



Photo Credit: USAID Firms Project

BEFORE The floods damaged many hotels in Swat, bringing tourist activity to a near standstill.



Photo Credit: USAID Firms Project

AFTER USAID support to hotel owners in Swat enabled 149 partner hotels to resume regular operations and welcome tourists in the summer of 2011.



USAID
FROM THE AMERICAN PEOPLE

PAKISTAN

SUCCESS STORY

Swat Breathes Anew

USAID helps hotels affected by conflict and flood in Swat rehabilitate and prepare to welcome tourists.



USAID is working to attract tourists to Swat to increase hotel revenues, restore the livelihoods of thousands of tourism-dependent families, and give a much-needed boost to the area's ravaged economy.

After years of dormancy, hotels in Swat are finally re-opening their doors to receive tourists in areas that have previously faced violent conflict and unforgiving monsoon floods. "The floods washed away everything," recounted Ameer Noshad, owner of the Abshar and Muslim Palace Hotels in Swat. "Our family was left with no place for shelter, let alone a way to earn a living." Mr. Noshad's family is one of the thousands of families in Swat dependent on tourism—the highest contributing sector to the economy of Swat.

Under USAID's Malakand Small and Medium Enterprise (SME) Recovery Assistance Program, 239 hotels in Swat received USD 2.7 million in cash grants and in-kind assistance such as construction material, furniture, and other hotel supplies. Beneficiaries also received training in hotel management practices and were provided with technical assistance in developing action plans for rehabilitation activities. Through constant mentoring and regular assessments, the program has ensured that assisted hotels also maintain health and hygiene standards. In conjunction with the rehabilitation efforts, a nationwide media campaign was launched in July to help attract tourists to Swat.

The interventions have already started demonstrating remarkable results, with as many as 149 partner hotels in Swat resuming regular operations in the summer of 2011 for the tourist season, which peaks annually in July. The occupancy rate has climbed exponentially for these hotels, and USD 668,390 in sales revenue has been recorded for the season, which is a substantial increase over last year. "Both of my hotels are once again catering to tourists, and I have been able to put bread on the table for my family after several difficult years," states Mr. Noshad. "Things are finally looking up for me and for hundreds of other hoteliers in Swat."

The revival of tourism has helped initiate an overall recovery of Swat's economy.



USAID
FROM THE AMERICAN PEOPLE

PAKISTAN

SUCCESS STORY

Increasing Exports through Innovation

USAID helps mango farmers improve international competitiveness, increasing sales and incomes.



Photo Credit: USAID Firms Project

Technology upgrading for the beneficiary farms in Punjab and Sindh is helping create jobs, increase harvest quality, meet importer processing requirements, and boost mango exports for increased sales and incomes.

Pakistan is one of the top five producers of mangoes in the world, growing over 1.5 million tons annually, but the country struggles to export more than five percent of its produce. Lack of infrastructure for post-harvest treatments and inefficient transport facilities result in inconsistent quality and a shorter shelf life of the fruit. Every year a sizeable amount (as high as 30 to 40 percent in some cases) of the mango yield is wasted, and the promising export markets remain untapped. These conditions deprive farmers of the profit margins attainable through sea shipment and leave an opportunity for substantial improvement in the industry.

In 2009, USAID initiated its technical and financial assistance to mango farmers in Punjab and Sindh. Public-private partnerships were established with 13 mango farms to build pack houses, processing lines, blast chillers, and cold storage units. The beneficiary mango farmers who received the infrastructure upgrades were also trained to better handle their new technology upgrades. Under a similar arrangement, 15 farmers were assisted in acquiring GLOBALG.A.P certification, allowing them to qualify for international market access. "We didn't know about modern methods, and we couldn't learn how to operate new technology," said a farm worker from Mumtaz Agri Farms in Punjab, "and now we have better systems and better yields." USAID is also running a comprehensive training program for mango growers and extension service providers. To date, almost 4,000 participants have attended trainings in international best practices of farm management conducted by USAID.

The sector is already showing an unprecedented 59 percent increase in value for aggregate export sales from the beneficiary farmers. Beneficiary farms also demonstrated a 90 percent increase in exports by quantity, demonstrating a shift from domestic trade to exporting. USAID also facilitated mango trial shipments to a major buyer in the European Union, thereby proving the concept of viable sea transport of mangoes from Pakistan to high-end European markets.

USAID continues to invest in new market linkages for export-ready farms. Fifty-eight exporters have been primed for international market requirements through trainings on sanitary and phytosanitary (SPS) requirements for mango exports. "USAID's assistance package for the mango growers underscores a potential boost to future commercial sales and revenue," said mango farmer and project beneficiary Muhammad Tariq. "This translates into more revenue, increased income, and a greater footprint in the economic vitality of Pakistan."

ANNUALPROJECT INDICATORS UPDATE

M&E INDICATORS

INDICATOR	RESULT FOR Y3Q4	Y3 TOTAL	CUMULATIVE TOTAL 2009 - Y3	DETAILS/BREAKUP OF RESULTS FOR REPORTING YEAR
Increase in sales revenue of project-assisted firms in the selected sectors	\$4,813,643	\$5,104,362	\$10,596,064 ¹	<p>The overall value of increase in sales for year 3 is \$5,104,362. This figure is 81% of the cumulative targets up to and including year 3.</p> <ul style="list-style-type: none"> • <u>Mango (\$2,656,801):</u> The total value of actual sales realized by mango signatory farms in Punjab and Sindh during the 2012 mango season was \$12,401,170. The increase in sales from year 2 figure is \$2,656,801. The percentage of target met from year 3 total is 61%. • <u>Swat Peaches (\$2,156,842):</u> The total value of local sales realized by peach signatory farms in Swat during the 2012 peach season was \$5,580,223. This represents an increase in production of 6.31% and increase in yield by 4.2% from the baseline. The increase in sales from baseline figure is \$2,156,842. The percentage of target met from year 3 total is 1600%. • <u>Swat Potatoes (\$58,828):</u> This sales figure represents sales for the 2011 harvest season. Harvest period starts from September/October hence the results for the 2012 harvest season will be reported in the next quarter October – December 2012. The percentage of target met from year 3 total is 79%.

¹Total value: \$10,596,064 – this figure is based on: **Y1:** (\$24,860): Based on sales made during the Pakistan Handmade exhibition. **Y2:** Total (\$5,466,842): TexWorld USA 2010 (\$1,905,240); Tourism (\$766,697); Potato (\$14,519); Mango (\$2,780,386). **Y3:** (\$5,104,362) Swat Tourism: \$217,626; Swat Fisheries: \$14,265; Swat Potatoes: \$58,828; Mango: \$2,656,801; Swat Peaches: \$2,156,842

				<ul style="list-style-type: none"> • <u>Swat Tourism (\$217,626):</u> This sales figure represents sales for the 2011 season. The percentage of target met from year 3 total is 214%. • <u>Swat Fisheries (\$14,265)</u> This sales figure represents sales for the 2011 season. The percentage of target met from year 3 total is 14%. • <u>Knitted Garments, Dates, Agricultural Implements and Fruits & Vegetable Pulping</u> There are no attributable sales for these sectors since there was a delay in technical implementation. The percentage of target met from year 3 total for each of these sectors is 0%.
Increase in employment for project-assisted firms	449	485	1,793jobs ²	<p>The overall value of increase in FTE employment for year 3 is 485. This figure is 170% of the cumulative targets up to and including year 3.</p> <ul style="list-style-type: none"> • <u>Mango (308):</u> <u>A total of 2092 FTE jobs were created by mango signatory farms in Punjab and Sindh during the 2012 mango season.</u> The increase in FTE jobs from year 2 figure is 308. The percentage of target met from year 3 total is 145%. • <u>Swat Peaches (98):</u>

² Total: 1793 jobs. Based on: **Y1** (50): Includes 50 jobs created through the MRP (Pakistan Handmade). This figure was reported as 461 jobs in Y1 to include 287 jobs created through short term project assignments through local subcontractors. However, this figure was retracted in Y2. Also, figures for 21 full-time equivalent jobs created under the Mango MUAVAN Infrastructure Up-gradation Agreements (IUAs) for 3 farms in Y1 are being retracted in this report, in line with recommendations from the OIG report. **Y2** (1258): Includes 5 full-time equivalent jobs created for Swat potato farmers, 164 full-time equivalent jobs created for Swat fisheries rehabilitation as a result of construction work for project-assisted fish farms, 514 full-time equivalent jobs in the Swat Tourism sector rehabilitation, and a total of 575 jobs were created in the mango sector (incremental over 2009 baseline values for total employment) during the 2010-11 mango season for the 19 project-assisted mango farms in Punjab and Sindh (453 jobs in Punjab and 122 jobs in Sindh). Year 2 job creation figures for full-time equivalent jobs created as a result of project activities by project-supported vendors have been retracted in this Annual Report, in line with recommendations emerging from the OIG's report. This includes the retraction of 16 full-time equivalent jobs created through Dates IUA activities, and 82 jobs created under the Mango MUAVAN program. The overall decrease in number of jobs reported as a result of these changes is 98 jobs. Jobs (full-time and full-time equivalent) created as a result of rehabilitation efforts for Swat potato, fisheries, and tourism sector will continue to be reported unless otherwise requested by USAID, as they engage laborers from the affected community. Year 2 job creation figures for mango trainings impact assessments and mango IUA impact assessments have been revised in line with data collected for project performance review in the January-March 2011 Quarterly Report. The overall decrease in number of jobs reported as a result of these changes was 343 jobs.

Y3 (485): Swat Tourism 6; Swat Fisheries: 14; Swat Potatoes: 56; Mango: 311 ; Swat Peaches: 98

				<p><u>A total of 532 FTE jobs were created during the 2012 peach season.</u> The increase in FTE jobs from baseline figure is 98. The percentage of target met from year 3 total is 75%.</p> <ul style="list-style-type: none"> • <u>Swat Potatoes (43):</u> <u>A total of 43 FTE jobs were created in the months of May, June, July & August for the 2012 potato season.</u> The increase in FTE jobs from year 2 figures will be calculated once the harvesting season is over.
Number of beneficiaries using project-funded implements	499	499	791 ³	<p>The number of beneficiaries using project funded implements up to and including year 3 is 791. This figure is 187% of the cumulative targets up to and including year 3.</p> <ul style="list-style-type: none"> • <u>Mango (2):</u> Two new IUA facilities were completed in Sindh: MAS Farms, and Durrani Farms. • <u>Swat Peaches (449):</u> 449 peach growers using project funded pruning kits, harvesting kits and corrugated cartons. • <u>Dates (48):</u> 45 farmers and 3 exporters using project funded modern farm and processing tools/equipment.
Number of beneficiaries trained through project-assisted workforce development training events	346	1660	5478 ⁴	<p>The total number of beneficiaries trained in year 3 is 1660. This figure is 235% of the cumulative targets up to and including year 3.</p> <ul style="list-style-type: none"> • <u>Mango (170):</u> 35 participants were trained in the Packhouse operations optimization training that was conducted in Multan, Punjab.

³ Total: 791. Based on: Y2 (292): Dates: 38; Mango: 21 (13 IUAs, 8 MGAs in 2011); Swat Tourism: 195; Swat Fisheries: 38. Y3(499): Mango: 2; Swat Peaches: 449; Dates: 48.

⁴ Total: 5478 Based on: Y1 (1667): Mango: 1617; Swat Potato: 50; Y2 (2151): Mango: 936; Dates: 601; Swat Potato: 327; Swat Tourism: 229; Swat Fisheries: 58; Y3 (1660): Mango: 877; Peach: 568; Potato: 193; Fruit and Vegetable Pulping: 22.

				<p>33 participants attended the Mango Tree Pruning and Canopy Management trainings held at Tando Allah Yar and Tando Qaiser respectively in Sindh.</p> <p>102 participants attended the Mango Tree Pruning and Canopy Management trainings held at Jalalpur Pirwala and Muzaffargarh respectively in Multan.</p> <ul style="list-style-type: none"> • <u>Swat Potatoes (176):</u> 176 participants trained in post harvest best practices in Upper Swat.
Number of firms trained through project-assisted workforce development training events	304	1192	3026 ⁵	<p>The total number of firms trained in year 3 is 1192. This figure is 224% of the cumulative targets up to and including year 3.</p> <ul style="list-style-type: none"> • <u>Mango (128):</u> 9 firms were trained in the Packhouse operations optimization training that was conducted in Multan, Punjab. • 26 firms were trained for the Mango Tree Pruning and Canopy Management trainings held at Tando Allah Yar and Tando Qaiser in Sindh. • 93 firms were trained for the Mango Tree Pruning and Canopy Management trainings held at Jalalpur Pirwala and Muzaffargarh in Multan. • <u>Swat Potatoes (176):</u> 176 firms trained in post harvest best practices in Upper Swat.

⁵ **Total:** 3026. Based on: **Y1** (701): **Mango:** 651 (Based on 435 firms in Punjab, and 216 firms in Sindh trained in Y1); **Swat Potatoes:** 50. **Y2** (1133): **Dates:** 38; **Mango:** 520 (Based on 386 firms in Punjab, and 134 firms in Sindh trained in Y2); **Swat Potatoes:** 327; **Swat Tourism:** 229; **Swat Fisheries:** 19. **Y3** (1192): **Mango:** 489; **Peach:** 568; **Potato:** 113.; Fruit & Vegetable Pulping: 22.

Value of private sector investment mobilized through formally engaged firms (on average dollar-for-dollar cost share by partner firms)	\$580,502	\$989,419	\$2,760,033 ⁶	<p>The overall value of private sector investment mobilized for year 3 is \$989,419. This figure is 134% of the cumulative targets up to and including year 3.</p> <ul style="list-style-type: none"> • <u>Mango (\$100,000):</u> \$100,000 was mobilized in private investment as a result of IUA activities for Durrani Farm in Sindh (these involved the construction of an on-farm pack house, housing for cold-storage and blast-chiller, in addition to operational expenses). • <u>Swat Peaches (\$445,948):</u> Cost of production per acre (with risk adjustment) is estimated at 1141 per acre (2818 per hectare) for 633 hectares. 25% of this investment is assumed in this quarter and 75% was assumed in the last. • <u>Swat Potatoes (\$10,164):</u> Cost of production per acre (with risk adjustment) is estimated at USD 823 per acre (2033 per hectare) for 20 hectares. 25% of this investment is assumed in this quarter and 75% in the last quarter. • <u>Dates (\$24,390):</u>
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⁶ Total (\$2,760,033) Breakup: **Y1** (\$167,141): Under the mango MUAVAN program, Ali Tareen Farm invested \$136,798 in a blast chiller, cold storage room, pack house, and operations costs, all of which was installed at the farm. 3 farms in Sindh (Hyder Shah Farm, Shah Agri Products, and Bhuggio Farm) invested \$30,343 (\$10,114 per farm) on infrastructure required for GlobalGAP certification on packing shed, fertilizer & pesticides stores, washroom, pesticides filling area, and signage.

Y2 (\$1,603,473): This covers the following: **Mango:** (\$1,239,173) (breakup of which is as follows: \$1,117,094 reported in investments by 15 farms in Punjab and Sindh under the IUAs (JDW Orchards, Lutfabad Farm, Sar Buland Farm, Muzaffarnagar Farm, Zarpak Horticulture Product, Leghari Fruit Farm, Dhillon Agri Farm, Murtaza Agri Farm, Mumtaz Agri Farm, Hyder Shah Farm, Mustafa Farm, Tareen Mango Farm, Shah Agri Products, Rangoonwala Farm, and Atta Fareed Farm);

\$97,343.05 reported in investments by 15 farms in Punjab and Sindh under the MGAs (Muzaffarnagar Farm, Zarpak Horticulture Product, Leghari Fruit Farm, Dhillon Agri Farm, Murtaza Agri Farm, Mumtaz Agri Farm, Hyder Shah Fruit Farm, Mustafa Farm, Tareen Mango Farm, Shah Agri Products, Rangoonwala Farm, Nadeem Nizamani Farms, MAS Farms, Imam Fruit Farm, Bhuggio Farm; \$10,111 as an outcome of two mango trial shipments conducted from Murtaza Agri Farm and Hyder Shah Farm, \$14,625 mobilized in private investment as a result of five mango growers and four exporters' contribution towards their participation at Berlin Fruit Logistica 2010); **Dates:** \$99,029 in IUA cost-share for dates crates; **Swat Fisheries:** \$169,080 in construction material for rehabilitation of Swat fisheries; **Swat Tourism:** \$91,921 in Swat Tourism rehabilitation, and **Swat Potato:** \$4,270 in investment on high quality bags by Swat potato farmers. Year 2 investment figures for mango trainings impact assessments and mango IUA impact assessments have been revised in line with data collected for project performance review. The overall decrease in private investment as a result of these changes is \$1,563,831. **Y3** (\$989,419): **Swat Peaches:** \$646,892; **Swat Potatoes:** \$64,935; **Mango:** \$224,616; **Dates:** \$24,390.

				Cost of transportation and labor charges borne by the 45 beneficiaries which is on average USD 542 per farmer. This amount covers the per farmer cost of transporting equipment (provided under the IUAs) to the farm, and the price of one weighing scale.
Number of project-assisted firms with improved technological innovation, improved management practices, and strengthened market linkages	118	667	2486 ⁷	<p>The number of project assisted firms with improved technological innovation, improved management practices and strengthened market linkages for year 3 is 667. This figure is 240% of the cumulative targets up to and including year 3.</p> <ul style="list-style-type: none"> • <u>Mango (5):</u> One new MGA agreement was signed with Raza Fruit Farm in this quarter. Beneficiary agreements were signed with four beneficiaries for the Dried Mango sector. • <u>Agriculture Implements (11):</u> Beneficiary agreements were signed with 11 new SMEs in Punjab for Agriculture Implements Manufacturing Sector. • <u>Fruit & Vegetable Pulping (4):</u> Beneficiary agreements were signed with four new SMEs in Punjab for Fruit & Vegetable Pulping sector. • <u>Dates (48):</u> IUA with 45 date palm farmers and 3 date processors were signed to equip them with improved tools/equipment. • <u>Swat Potatoes (50):</u> 50 farmers have signed agreements with SE Trading for provision of seeds, fertilizer and plant protection products with a buy back agreement of PKR 20/Kg of chips stock potato in this quarter. This counts towards

⁷ Total: 2486: Based on: **Y1** (701): Mango: 651 (Based on 435 firms in Punjab, and 216 firms in Sindh trained in Y1); Swat Potatoes: 50. **Y2** (1118): Dates: 38; Mango: 520 (Based on 386 firms in Punjab, and 134 firms in Sindh trained in Y2); Swat Potatoes: 327; Swat Tourism: 195; Swat Fisheries: 38. **Y3** (667): Mango: 376; Swat Potatoes: 228; Dates: 48; Agriculture Implements: 11; Fruit & Vegetable Pulping: 4.

				the number of firms with strengthened market linkages.
Number of project-assisted workforce development training events conducted	13	69	193 ⁸	<p>The total number project assisted workforce development training events for year 3 is 69. This figure is 116% of the cumulative targets up to and including year 3.</p> <ul style="list-style-type: none"> • <u>Mango (5):</u> One Packhouse Operations Optimization training was conducted in Multan, Punjab. • <u>Two</u> Mango Tree Pruning and Canopy Management Trainings were held in Sindh: Tando Allah Yar and Tando Qaiser, and Two were conducted in Punjab: Jalalpur Pirwala and Muzaffargarh. • <u>Swat Potato Sector (5):</u> Five post harvest trainings events for 176 SME's in five clusters. • <u>Swat Peaches Sector (3):</u> Three Access to Credit Finance Orientation Sessions for 150 peach farmers were held in Swat.
Number of project-assisted firms achieving internationally recognized standards/certifications	3	3	14 ⁹	<p>The number of project assisted firms achieving international certifications/standards for year 3 is 3. This figure is 35% of the cumulative targets up to and including year 3.</p>

⁸ Total (193): **Y1**(49): The breakup for this is Mango: 31 ; MRP: 7; Potato: 2; BEE gender: 5; Supporting Institutions: 4. **Y2** (75): The breakup for this is: Mango: 39 events; Dates: 11 events; Potatoes: 7 events; Swat Fisheries: 10 events; Swat tourism: 8 events; **Y3** (69): **Mango**: 31; **Fruit & Veg Pulping**: 2; **Swat Peaches**: 25; **Swat Potatoes**: 11.

⁹ **Y1** (10): GlobalGAP certifications up till September 2010: 10 Mango farms (7 in Punjab and 3 in Sindh). GlobalGAP certified farms in Punjab: (7) MuzaffarNagar Farm, Zarpak Horticulture Product, Leghari Fruit Farm, Tareen Mango Farms, Dhillon Agri Farm, Mumtaz AgriFarm, Imam Fruit Farms. GlobalGAP certified farms in Sindh: (3) Murtaza Agricultural Farm, Hyder Shah Fruit Farm, Bhuggio Farms. **Y2** (1): GlobalGAP certifications up till September 2011: 1 mango farm (Shah Agricultural Products). The figures reported in this section update all previously reported figures for this indicator in accordance with USAID's definition of project fiscal year (Y1 is now defined as the fiscal year 2010 i.e. the period extending from the project start date in May 2009-September 30, 2010, and so on for subsequent fiscal years. **Y3** (3): 3 partner mango farms in Sindh (MAS Agri Farm, Mustafa Agri Farm, and Nadeem Nizamani Agri Farm) received Global GAP certificates.

Number of marketing events conducted with project assistance to address export opportunities in targeted sectors	0	5	27 ¹⁰	The number of marketing events conducted for year 3 is 5. This figure is 450% of the cumulative targets up to and including year 3.
Number of feasibility studies prepared for project-assisted sectors or firms	0	0	17 ¹¹	The number of feasibility studies conducted for year 3 is 0.
Number of economic growth strategies developed for project assisted sectors or firms.	0	0	8 ¹²	The number of economic growth strategies developed for project assisted sectors or firms in year 3 are 0.
Number of hectares under improved technologies or management practices as a result of USG assistance	732	1253	17,300 ¹³	<p>The number of hectares under improved technology or management practices for year 3 is 1253. This figure is 861% of the cumulative targets up to and including year 3.</p> <ul style="list-style-type: none"> • Dates (270):

¹⁰ **Total (27): Y1 (21):** This total includes the Pakistan Handmade event, Firms Project's representation at the Dawn International Travel & Tourism Show May 2010, Fruit Logistica January 2010 trade show in Germany, an additional marketing event conducted to promote the Swat tourism sector, TexWorld USA July 2010 tradeshow, Mango sector participation in Asia Fruit Logistica September 2010 trade show in Hong Kong, Dates sector participation in Asia Fruit Logistica September 2010 trade show in Hong Kong, 10 mango trial shipments via air, 3 mango sea shipments, and 1 dried mango shipment. **Y2 (1):** Berlin Fruit Logistica January 2011 event. **Y3 (5): Mango:** 1. Mango Market Linkages Development Working Session conducted in Lahore on October 19, 2011 with a total of 38 participants, 2. Mango Sector Beneficiaries Meeting with Commercial Counselor, Embassy of the Netherlands conducted in Lahore on October 28, 2011, 3. Mango Sector Beneficiaries Meeting with Dutch Buyers (held in Karachi on October 20, 2011 as a follow-up session to the Mango Market Linkages Development Working Session conducted in Lahore on October 19, 2011), with a total of 19 participants attending this meeting. 4. Fruit Logistica Berlin 2012 was held from February 7th, 2012 to February 12th, 2012 and was attended by 7 beneficiaries from the mango sector, 5. Five beneficiaries from partner mango farms participated in the Australia Study Tour during January 2012. The figures reported in this section update all previously reported figures for this indicator in accordance with USAID's definition of project fiscal year (Y1 is now defined as the fiscal year 2010 i.e. the period extending from the project start date in May 2009-September 30, 2010, and so on for subsequent fiscal years.

¹¹ **Y2 (17):** This includes 1 feasibility study for a cold store in agriculture markets prepared during the period July-September 2010, and 16 feasibility studies for the following Mango farms prepared in October 2010: Ali Tareen Farm, Lutfabad Fruit Farm, MuzaffarNagar Farm, Sar Buland Farm, Zarpak, Tareen Mango Farms, Mumtaz AgriFarm, Dhillon Agri Farm, JDW Orchards, Dhillon Agri Farm, Ata Fareed Farm, Shah Agri Products, Hyder Shah Fruit Farm, Murtaza Agricultural Farm, Rangoonwala Mango Farm, and Mustafa Agriculture Farms. The figures reported in this section update all previously reported figures for this indicator in accordance with USAID's definition of project fiscal year (Y1 is now defined as the fiscal year 2010 i.e. the period extending from the project start date in May 2009-September 30, 2010, and so on for subsequent fiscal years.

¹² **Y1 (6):** Sector development strategies have been developed for the mango, dairy, gems and jewelry, leather, Swat tourism sectors (June 2010), and dried mango (July-September 2010). **Y2 (2):** Includes strategies for dates and Swat fisheries (October-December 2010). The figures reported in this section update all previously reported figures for this indicator in accordance with USAID's definition of project fiscal year (Y1 is now defined as the fiscal year 2010 i.e. the period extending from the project start date in May 2009-September 30, 2010, and so on for subsequent fiscal years.

¹³ **Total:** 17,300 hectares. Based on: **Y1:** 9275; **Mango:** 9,250; **Swat Potato:** 25; **Y2:** 6771; **Dates:** 400; **Mango:** 6134; **Swat Potato:** 164; **Swat Tourism:** 46; **Swat Fisheries:** 28; **Y3 (1253):** **Mango** (774 hectares); **Swat Peaches:** (182 hectares); **Swat Potatoes:** (27 hectares). **Dates:** (270 hectares).

				The total area under cultivation for all date varieties for 44 IUA beneficiary date farms is 667 acres or 270 hectares.
Number and type of policy reforms mutually identified with federal, provincial, and/or district governments, and/or client in consultation with private sector stakeholders in the selected sectors	0	10	51 ¹⁴	The number and type of policy reforms mutually identified with federal, provincial, and/or district governments, and/or client in consultation with private sector stakeholders in the selected sectors in year 3 are 10.
Number of recommendations on policy reforms, business process reforms and legislative instruments submitted for acceptance to the respective government department	2	12	53 ¹⁵	The number of recommendations on policy reforms, business process reforms and legislative instruments submitted for acceptance in year 3 are 12. The recommendations on policy reforms, business process reforms and legislative instruments submitted during this reporting quarter for acceptance include: 1. Technical Assistance for SMEDA 2. Reform of Mining Regulatory Framework KPK
Number of recommendations on policy reforms, business process reforms and legislative instruments accepted by the respective government department	0	6	15 ¹⁶	The number of recommendations on policy reforms, business process reforms and legislative instruments accepted in year 3 are 6.

¹⁴ **Total:** 51: Based on: **Y1:** 17; **Y2:** 24; **Y3:** 10 reforms (1 of the reforms were identified during April-June 2012)

¹⁵ **Total:** 51: Based on: **Y1:** 17; **Y2:** 24; **Y3:** 10 reforms (1 of the reforms were identified during April-June 2012)

¹⁶ **Total:** 15: Based on: **Y1:** 2; **Y2:** 7; **Y3:** 6 (1 of the recommendations on reforms was submitted during April-June 2012)

PROBLEMS AND OBSTACLES

TECHINICAL ISSUES

Problems/Obstacles/Issues	Steps Taken to Remedy Them
Finalization of Year 3 work plan and delay in technical implementation	A delay in the approval of the project's Year 3 work plan resulted in changes in the sectors selected and shifts in geographical focus from the Mission and major stakeholders. In addition to the difficulties encountered in identifying competent and qualified technical assistance and developing concise scopes of work, the lack of a finalized work plan added to the delays in execution of program activities. The home office provided additional resources and worked with the field teams to revise their work plans to account for the delays. Close coordination and planning with the client through several iterations eventually resulted in an approved work plan of activities. The project noted that more time should have been devoted to researching the feasibility of proposed activities and obtaining stakeholder buy-in during the work plan development process.
Devoting project resources to ad hoc activities outside of work plan	Continual requests from the client created additional constraints on project staff who worked to balance ongoing activities while fielding new requests. New requests require individual work plans and many coordination meetings leading up to implementation, and this required the attention of staff to be diverted from implementing previously approved project activities. Requests included: the South Waziristan regional competitiveness assessment, Islampur regional competitiveness assessment, and access to finance initiatives. To relieve the strain on existing staff and allow timely delivery on the work plan, the project recruited additional staff to meet the increased technical activity. As a result, the project remained responsive to client requests and its approved work plan.
Completion of Year 2 activities	Additional workload constraints existed during the first quarter of Year 3 due to ongoing work from Year 2 activities including farm infrastructure upgrades and the grants program. The project addressed the outstanding deliverables for these activities and expedited completion.
Commitments from end markets and buyers	Early in 2012, technical teams found it difficult to obtain commitments from end markets and buyers as planned in the work plan in our approach to value chain development. While the project met with many buyers and end market players, none had signed MOUs and committed to participating in the project strategy by the end of March. Alternative end market players and buyers were identified for the technical teams to discuss their engagement with the project and commitments to work with the project were made.
Procurement and subcontractor management	In the last quarter of the reporting period, the project experienced some delays in the distribution of in-kind assistance to beneficiaries in the peach sector and construction in the date sector. These delays were due to insufficient lead-time to allow for the time needed for procurement of in-kind assistance. And detailed planning for the activities. Misunderstanding of roles also created additional difficulty in moving forward smoothly with the activities. In the case of the date sector, there was a significant requirement

	<p>for stricter oversight and management of the subcontractor; the subcontractor repeatedly missed deadlines for deliverables. For the peach sector, a series of meetings were held internally and with the subcontractor to revisit the deliverables and plot out a resolution for the in-kind distribution of tools. This process was successful and was completed to the project's satisfaction. For the date sector, a cure notice was issued to the subcontractor and a modification to the contract was initiated. Closer oversight and more manageable deliverables will ideally result in completion of the activity in a reasonable timeframe. Going forward, the project aims to gather technical review panels at the Technical Procurement Action Request (TPAR) stage of activity planning in order to have the relevant staff members review the TPAR, comment, and ask follow-up questions to guide the development of the activity. This will produce more detailed TPARs, specifications, and resulting subcontracts. More forward planning will also be implemented in order to better outline activities, roles and responsibilities, timelines, and contingency plans.</p>
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ADMINISTRATIVE ISSUES

Problems/Obstacles/Issues	Steps Taken to Remedy Them
Pakistan visa issues	<p>Expiration of visas and difficulty in renewing or obtaining new visas throughout most of the reporting period required the departure of long-term expatriate and third country national (TCN) staff. The project aggressively searched for in-country qualified individuals and those already holding active Pakistan visas to fill long-term and short-term positions, while key personnel continued to work remotely when necessary. However, due to the inability to acquire new visas since December 2011, there remains a significant constraint to the smooth management and implementation of the project. Substantial time and energy is devoted to planning and staffing according to visa constraints and project historical knowledge is lost as expats and TCNs are forced to leave Pakistan. Long-term, the issue will eventually affect the overall management of the project and project activities; the project will increasingly suffer as a result unless the matter is resolved. Efforts should be made within USAID to approach the Government of Pakistan at the highest level in order to address the issue, as Chemonics has exhausted all avenues. The PMU is working to recruit and plan according to staff that are able to work in-country, though the number of people to draw from is rapidly decreasing as visas expire and no new visas are issued.</p>
Under-spending	<p>Due to delays in implementation of technical activities and issues with obtaining visas; the project was unable to spend what was forecasted in the quarterly accruals submitted to the client. However, the project's response to requests for ad hoc assistance resulted in an increase in spending without diverting a significant amount of funds away from the planned activities.</p>
Staff retention	<p>The project's current end of contract is April 30, 2013, and several staff departures have already occurred, as a result. Given the nature</p>

	<p>of the life of a project, this may be inevitable, though steps are being taken to encourage staff to remain with the project. Promotions and professional development of staff was a focus, with the addition of new levels/titles to facilitate advancement within the project. The performance evaluation process and related merit increase process were enhanced to better involve all staff, including supervisors, to allow for more ownership and responsibility. Additionally, the home office and USAID/Pakistan are discussing possible options for a contract extension. The Human Resources Team continued to work diligently to refill vacant positions, though the pace of hiring shows no signs of slowing in the coming months due to both increased technical activity as well as anticipated departures.</p>
Local recruitment	<p>The project consistently recruited for both long-term staff and short-term consultants over the last year. Recruitment efforts continually resulted in disappointing candidate pools for both technical and non-technical roles. Several recruitments were re-opened when finalists did not meet the level required of the position and project. Recruitment is very time consuming, requiring advertisement, short-listing, and multiple rounds of panel interviews. Re-opening recruits essentially doubles the effort and often still does not produce high-quality candidates. The project is re-examining the recruitment advertisement platforms typically used for recruits to see which platforms produce the best results. The project also plans to reach out to other USAID projects in Pakistan to acquire recommendations on other platforms and recruitment approaches. Additionally, Scopes of Work and advertisements will be scrutinized more closely to ensure that all of the pertinent information is communicated to potential candidates.</p>

ANNEX – A: COMMUNICATION PRODUCTS DEVELOPED

Title	Component	Media Type ¹⁷	Media Name	Release Date	Language	Media Tone ¹⁸
Swat Grants Closeout Event	Malakand Grants Program	Graphics for event material	Artwork for Event	September 27, 2012	English	Positive
Marble Core Consultative Group –Backdrop	Value Chain Development	Backdrop	Graphics	September 27, 2012	English	Positive
Sample Peach Boards with Illustrations of Key Pre- and Post-Harvest Messages Installed at Islamabad Office	Value Chain Development	Metal Board	Painted Illustrations	September 20, 2012	Urdu	Positive
USAID Firms Project Press Orientation Session – Mementos	General	Branded Bags	Memento Design and Branding	September 20, 2012		Positive
Supporting Pakistan's Dates	Value Chain Development	Backdrop	Graphics	September 19, 2012	English	Positive
Facilitation of USAID DOCs Trip to Swat for Media Coverage of USAID Interventions in Malakand	Malakand Grants Program	Print Coverage	Daily Al Akhbar Daily Ausaaf Daily Aeen Daily Azadi Daily Chand Daily Mashriq Daily Surkhaab Daily Nai Baat Daily Shamal Daily Wahdat The News	September 12, 2012	Urdu and English	Positive
USAID Trains 449 Peach Farmers in Swat	Value Chain Development	Press Release	Daily Times Pakistan Observer The Nation Dawn	September 6, 2012	Urdu and English	Positive

¹⁷ Media Types include Press Clippings, Press Releases, Radio/TV Interviews, Advertisement, Publications, etc.

¹⁸ Media Tone: Positive, Negative, or Neutral

ANNEX – A: COMMUNICATION PRODUCTS DEVELOPED

			Daily Express Roznama Ausaf Balochistan Times Express Tribune Statesman Peshawar			
Dates Sector Branding –Stickers	Value Chain Development	Print	Branded Stickers	August 29, 2012	Urdu and English	Positive
USAID Firms Project Assists 45 SMEs in Pilot Program to Develop Dates Sector	Value Chain Development	Press Release	Business Recorder Pakistan Observer The Express Tribune The Nation Pakistan Today Daily Times Online: The Gulf Today Pakistan State Times South Asian News Agency	July 26, 2012	English	Positive
USAID Assists 17 Mango Farms Acquire GlobalGAP Certification with 12 More in the Pipeline	Value Chain Development	Press Release	Express Tribune Business Recorder Pakistan Observer Daily Mahasib Online: Pakistan Times Fresh Fruit Portal Urdu Wire Agriculture Corner	July 4, 2012	English and Urdu	Positive
Design of Peach Box for Distribution to Beneficiaries	Value Chain Development	Design and Production	Graphics and Print	July 2, 2012	English and Urdu	Positive
Designing and Printing of 200 CD Covers for Information to be Distributed to Dates Sector Farmers, Processors and Other Stakeholders	Value Chain Development	CD Cover	Graphics and Print	June 29, 2012	English	Positive

ANNEX – A: COMMUNICATION PRODUCTS DEVELOPED

Swat Tourism Promotion Radio Campaign	Business Enabling Environment	Radio Transmission, Public Service Announcements, Magazine Shows	FM 101, FM 99, FM 94.6, FM 100	June 8–24, 2012	Urdu	Positive
USAID Gathers Pakistan's Marble Sector Stakeholders	Value Chain Development	Press Release	Dawn Business Recorder Daily Times Express Tribune The Nation Pakistan Observer	June 24, 2012	English	Positive
First Consultative Meeting with Marble & Granite Sector Stakeholders	Value Chain Development	Backdrops and Standees	Artwork for Event	June 22, 2012	English	Positive
Mango Season Bound to Help Boost Economies	Value Chain Development	Article	Business Recorder	June 21, 2012	English	Positive
King of Fruit Reaps Few Rewards for Pakistani Farmers	Value Chain Development	Article	Inter Press Service News Agency	June 18, 2012	English	Positive
Presentation on Swat Tourism Promotion Campaign	Business Enabling Environment	PowerPoint Presentation	Presentation to USAID DOCs office and Communications Working Group on Swat Tourism Promotion Campaign	June 15, 2012	English	Positive
Mango Exports from Sindh on the Rise	Value Chain Development	Article	Dawn	June 14, 2012	English	Positive
Seven Mango Farms from Sindh Have Commercial Shipments Scheduled for June	Value Chain Development	Press Release	The News Dawn Express Tribune Daily Times Pakistan Today Business Recorder Financial Post Pakistan Observer	May 25, 2012	English	Positive
USAID, Other Donors Aim to Develop Country's Economy	Value Chain Development and Business Enabling Environment	Article	Daily Times	May 10, 2012	English	Positive
Regaining Lost Ground: After Disaster, Fish Farming in Swat Thriving Once Again	Malakand Grants Program	Article	Express Tribune	May 3, 2012	English	Positive
Swat Tourism Promotion – Gandhara Leaflets	Business Enabling Environment	Information and	Print	April 15, 2012	English	Positive

ANNEX – A: COMMUNICATION PRODUCTS DEVELOPED

		Promotion Material				
Swat Tourism Promotion – Post Cards	Business Enabling Environment	Information and Promotion Material	Print	April 10, 2012	English	Positive
USAID Firms Project Interactive Stall at USAID DOCs Office Media Event Highlighting Assistance for Malakand	Malakand Grants Program	Project Brochures; Swat Maps and Pamphlets; Swat Post Cards, Swat Video Song	Artwork for the Project Stall	April 2, 2012	Urdu, English and Pashto	Positive
Branding and Marking of Potato Sector Training Material	Value Chain Development	Information Material	Print	March 27 to 29, 2012	Urdu	Positive
Branding and Marking of Peach Sector Training Material	Value Chain Development	Information Material	Print	March 27 to 29, 2012	Urdu	Positive
Nation-wide Firms VCD Intervention Maps	Value Chain Development	Print/Image	Graphics	March 20, 2012	English	Positive
Provincial VCD Intervention Maps	Value Chain Development	Print/Image	Graphics	March 20, 2012	English	Positive
Hotels, Trout Fish Farms, Peaches and Potatoes Sector Interventions Map	Malakand Grants Program	Print/Image	Graphics	March 19, 2012	English	Positive
Documentary Reaping Sweat Rewards Urdu Dubbed version	Value Chain Development	Documentary	Video	March 12, 2012	Urdu	Positive
Malakand Interventions – USAID Firms Project	Malakand Grants Program	PowerPoint Presentation	Presentation to Interflow for USAID Malakand Communications Campaign	February 15, 2012	English	Positive
Advertisement Highlighting USAID Firms Project Interventions Special Supplement –Dawn Agri Expo	Value Chain Development/Business Enabling Environment	Advertisement	Dawn News	February 14, 2012	English	Positive
Write-up Highlighting USAID Firms Project Interventions Special Supplement –Dawn Agri Expo	Value Chain Development/Business Enabling Environment	Article	Dawn News	February 14, 2012	English	Positive
Dawn Expo Stall	Value Chain Development/Business Enabling Environment	Banners, Backdrops, Standees	Artwork for the Project Stall	February 11, 2012	English	Positive

ANNEX – A: COMMUNICATION PRODUCTS DEVELOPED

Second Annual Mango Conference	Value Chain Development	Electronic Coverage through TV Channels, Radio, News Agencies	DAWN News Rohi TV CNBC PTV News SAMAA ARY News Sindh News News One APNA News AVT Khyber Dunya SohniDharti SD TV Metro Vaz FM 100 PBC NNI VOA APP AFP	February 1, 2012	English and Urdu	Positive
Second Annual Mango Conference	Value Chain Development	Print Coverage	The Nation Dateline Islamabad Business Recorder Daily Times Dawn Jang Rawalpindi The Express Tribune Metro Watch Pakistan Observer Pakistan Today Nawa-i-Waqt	February 1, 2012	English and Urdu	Positive
Second Annual Mango Conference	Value Chain Development	Event Briefer/Press Release	Event Briefer	January 31, 2012	English	Positive
Second Annual Mango Conference	Value Chain Development	Backdrops,	Event Branding,	January 31, 2012	English	Positive

ANNEX – A: COMMUNICATION PRODUCTS DEVELOPED

		Invitation Cards, Podium Cover, Name Tags, Table Tags, Standees, Photographic Banners, Media Kits, Folders, Pens, Shields, Event Bags, Brochure, CDs with Jackets	Give-aways, and Information Material			
Sharing Vision Documents on Industry and Tourism Sectors of KP with KPCCI	Business Enabling Environment	Event-briefer/Press release	Event Briefer	January 24, 2012	English	Positive
Sharing Vision Documents on Industry and Tourism Sectors of KP with KPCCI	Business Enabling Environment	Backdrop, podium cover, standees	Event Branding	January 24, 2012	English	Positive
Swat Tourism Promotion –Set of 6 Posters	Business Enabling Environment	Information and Promotion Material	Print	January 16, 2012	English	Positive
Swat Tourism Promotion –Information Leaflet	Business Enabling Environment	Information and Promotion Material	Print	January 16, 2012	English	Positive
Swat Tourism Promotion –Information Leaflet	Business Enabling Environment	Information and Promotion Material	Print	January 16, 2012	Urdu	Positive
Swat Tourism Promotion –Tour Packages Leaflet	Business Enabling Environment	Information and Promotion Material	Print	January 16, 2012	English	Positive
Update of Unique Visitors to the Swat Tourism Promotion Website Resulting from New Content and Information	Malakand Grants Program/PA	Website	Tour Swat (www.tourswat.com)	December 27, 2011 (11,634 unique visitors)	English	Positive
<i>Zindagi Hai Yahan</i> – Paradise Revisited	Malakand Grants Program/PA	News Report	Dawn Images	November 27, 2011	English	Positive
Screening of 3-minute Swat Tourism Promotion Song and Video	Malakand Grants Program/PA	Music Video	KPK Tourism Corporation (KPTC) Stall at Dawn Expo	November 26–27, 2011	Urdu with English Subtitles	Positive

ANNEX – A: COMMUNICATION PRODUCTS DEVELOPED

Special Postcards Designed for Promotion of Tourism in Swat	Malakand Grants Program/PA	Print Publication	KPK Tourism Corporation (KPTC) Stall at Dawn Expo	November 26–27, 2011	English	Positive
Reviving Tourism Industry of Swat	Malakand Grants Program/PA	News Report	Pakistan Today	November 16, 2011	English	Positive
Radio News Report on Swat Tourism Promotion Campaign and Song	Malakand Grants Program/PA	Radio	US National Public Radio (NPR)	November 4, 2011 (NPR in the US creates and distributes award-winning programming to a network of 900 independent stations. Through them, NPR programming reaches 26.8 million listeners every week.)	English	Positive
Music Video on Swat Being Well Received	Malakand Grants Program/PA	News Report	The News	November 4, 2011	English	Positive
Documentary Aimed at Reviving Tourism in Swat Launched	Malakand Grants Program/PA	News Report	Daily Times	November 4, 2011	English	Positive
3-minute Swat Tourism Promotion Song and Video	Malakand Grants Program/PA	Music Video	Dunya News	October 28–30, 2011; November 3–6, 2011 (8 spots)	Urdu with English Subtitles	Positive
3-minute Swat Tourism Promotion Song and Video	Malakand Grants Program/PA	Music Video	Dawn News	October 24–28, 31, 2011; November 1–4, 2011 (10 spots)	Urdu with English Subtitles	Positive
60-second Swat Tourism Promotion Song and Video	Malakand Grants Program/PA	Music Video	Dawn News	October 24–28, 31, 2011; November 1–4, 2011 (10 spots)	Urdu with English Subtitles	Positive
3-minute Swat Tourism Promotion Song and Video	Malakand Grants Program/PA	Music Video	Express News	October 24–November 2, 2011 (10 spots)	Urdu with English Subtitles	Positive
<i>USAID-Branded Assistance Certificates for</i>	Malakand Grants Program/PA	Plaque	239 Hotels in Swat	October 21, 2011	English and	Positive

ANNEX – A: COMMUNICATION PRODUCTS DEVELOPED

Hotels in Swat					Urdu	
<i>USAID-Branded Assistance Certificates</i> for Fisheries in Swat	Malakand Grants Program/PA	Plaque	22 Fisheries in Swat	October 21, 2011	English and Urdu	Positive
3-minute Swat Tourism Promotion Song and Video	Malakand Grants Program/PA	Music Video	ARY News	October 28–November 6, 2011 (10 spots)	Urdu with English Subtitles	Positive
3-minute Swat Tourism Promotion Song and Video	Malakand Grants Program/PA	Music Video	ARY Digital, HUM TV, Geo News	October 16–19, 2011 (ARY: 4 spots, HUM TV: 8 spots, Geo News: 9 spots)	Urdu with English Subtitles	Positive
60-second Swat Tourism Promotion Song and Video	Malakand Grants Program/PA	Music Video	Geo News, HUM TV	October 23–29, 2011 (Geo News: 9 spots, HUM TV: 7 spots)	Urdu with English Subtitles	Positive
3-minute Swat Tourism Promotion Song and Video	Malakand Grants Program/PA	Music Video	Aag TV	October 24–November 5, 2011 (32 spots)	Urdu with English Subtitles	Positive
3-minute Swat Tourism Promotion Song	Malakand Grants Program/PA	Radio	FM 89, FM 91, FM 100	October 16–November 5, 2011 (FM 89: 42 spots, FM 91: 56 spots, FM 100: 46 spots)	Urdu	Positive
3-minute Swat Tourism Promotion Song and Video	Malakand Grants Program/PA	Music Video	YouTube (21,000 hits)	October 16, 2011	Urdu	Positive
Presentation Titled “Design, Development and Implementation of Swat Tourism Promotion Campaign”	Malakand Grants Program/PA	PowerPoint Presentation	Communications Working Group Meeting	October 3, 2011	English	Positive
Presentation Titled “Documentary Filmmaking– Basics and Beyond”	Malakand Grants Program/PA	PowerPoint Presentation	Communications Working Group Meeting	October 3, 2011	English	Positive

ANNEX – B: FINANCIAL DETAILS

	Total Funds Expended until 6/30/2012	July-12	August-12	September-12	Total Funds Expended during this reporting quarter	Total Funds Expended during this reporting year	Total Funds Expended to date
Time	19,573,915.92	444,287.64	623,111.45	516,004.06	1,583,403.15	5,424,021.30	21,157,319.07
Materials	25,127,160.94	847,836.38	1,112,616.23	466,890.75	2,427,343.36	7,997,403.44	27,554,504.30
Total	44,701,076.86	1,292,124.02	1,735,727.68	982,894.81	4,010,746.51	13,421,424.74	48,711,823.37
Grants	3,073,944.88	0.00	93,532.96	28,806.43	122,339.39	1,271,273.97	3,196,284.27
Total Costs Incurred	47,775,021.74	1,292,124.02	1,829,260.64	1,011,701.24	4,133,085.90	14,692,698.71	51,908,107.64

ANNEX – C: TRAININGS AND EVENTS

TRAININGS AND EVENTS (October 2011 – September 2012)¹⁹

TRAININGS AND EVENTS – ANNUAL CUMULATIVE (OCTOBER 1, 2011 – SEPTEMBER 30, 2012)

Total Events (Training and Non-training) Held in Year 3	Participants		
	Male	Female	Total
92	2,830	15	2,845

TRAININGS AND EVENTS (July 2012–September 2012)²⁰

TRAININGS AND EVENTS –QUARTERLY CUMULATIVE (JULY 1– SEPTEMBER 30, 2012)

Total Events (Training and Non-training) Held This Quarter	Participants		
	Male	Female	Total
14	453	1	454

TRAININGS AND EVENTS – VALUE CHAIN DEVELOPMENT (VCD)

TITLE	DATE	LOCATION	SECTOR	Participants		
				Male	Female	Total
Training on Pack-House Operations	July 3-4, 2012	Multan, Punjab	Mango	35	0	35
Training on Mango Tree Pruning and Canopy Management	July 12, 2012	Tando Qaiser, Sindh	Mango	15	0	15
Training on Mango Tree Pruning and Canopy Management	July 14, 2012	Tando Allah Yar, Sindh	Mango	18	0	18
Training on Mango Tree Pruning and Canopy Management	July 17, 2012	Jalalpur Pirwala, Punjab	Mango	40	0	40
Training on Mango Tree Pruning and Canopy Management	July 18, 2012	Muzaffargarh	Mango	62	0	62
Training on Pre-Harvest Practices for Potato Farmers– Cluster 7	August 7-8, 2012	Miandam, Swat	Potatoes	35	0	35
Orientation of Peach Farmers on Accessing Credit Facilities from Potential Financial Institutions – 1	September 4, 2012	Swat	Peaches	50	0	50
Orientation of Peach Farmers on Accessing Credit Facilities from Potential Financial Institutions – 2	September 5, 2012	Swat	Peaches	40	0	40

¹⁹ To see detailed listings of trainings in previous quarters, please refer to previous quarterly reports.

²⁰ To see detailed listings of trainings in previous quarters, please refer to previous quarterly reports.

Orientation of Peach Farmers on Accessing Credit Facilities from Potential Financial Institutions –3	September 6, 2012	Swat	Peaches	40	0	40
Training on Post-Harvest Practices for Potato Farmers – Cluster 1	September 26-27, 2012	Chirat, Swat	Potatoes	23	0	23
Training on Post-Harvest Practices for Potato Farmers– Cluster 2	September 26-27, 2012	Mankiyal, Swat	Potatoes	30	0	30
Training on Post-Harvest Practices for Potato Farmers– Cluster 3	September 29-30, 2012	Sakhra, Swat	Potatoes	10	0	10
Training on Post-Harvest Practices for Potato Farmers– Cluster 4	September 29-30, 2012	Kargelo, Swat	Potatoes	41	0	41

TRAININGS AND EVENTS– BUSINESS ENABLING ENVIRONMENT (BEE)

TITLE	DATE	LOCATION	SECTOR	Participants		
				Male	Female	Total
Focus Group Discussion with Pakistani SMEs to Assess Demand for Access to Finance - National	August 17, 2012	Lahore, Punjab		14	1	15